



Agenda Item No. 6I
December 12, 2023

TO: Honorable Mayor and City Council Members
Attention: Aaron M. Busch, City Manager

FROM: Ken Matsumiya, Finance Director
(Staff contact: Ken Matsumiya, Director of Finance (707) 449-5180)

SUBJECT: SPECIAL TAX ANNUAL REPORTING

ACTION FOR CONSIDERATION:

No action is requested for this item. It is provided for information purposes only.

RECOMMENDATION:

No recommendations are associated with this report. The contents are informational only.

BACKGROUND:

Senate Bill 165 (September 2000) enacted the Local Agency Special Tax and Bond Accountability Act ("Act"). The Act, which applies to the City's Community Facility Districts ("CFD", or "special tax district") adopted on or after January 1, 2001, requires that an annual report be filed with the City Council summarizing the funds collected and expended.

DISCUSSION:

As noted on the attached report (Attachment 1), the City has six special tax districts at this time which fall under the Act's reporting requirements: CFD #8 North Village, CFD #9 Portofino, CFD #10 Cheyenne, CFD #11 Southtown, CFD #12 In-Fill, and CFD #13 Lower Lagoon Valley. All six special tax districts are used to generate funds to offset the costs of providing police and fire services to residential properties within the CFD boundaries. Additionally, CFD #13 is the only district that also includes authorization for financing the acquisition, construction, and improvement of public facilities required to serve the district as well as funding for park and lighting and landscape maintenance services. All funds collected from the levy of the special tax within the CFDs were used for such purpose. The amount collected for the six CFDs for fiscal year 2022-23 was \$7.14 million. General Fund expenditures – not including Measure M – for police and fire services in fiscal year 2022-23 totaled \$80.6 million.

In accordance with direction from Council, Staff continues to focus on providing transparency around the Community Facilities Districts in Vacaville. The Finance Department maintains a webpage detailing current information and links to historical reports about the City's CFDs. The information available on the website includes:

- An interactive map of current CFD boundaries
- An introductory video on CFDs including what they are and how they are formed
- A list of Frequently Asked Questions
- Links to external Consumer Price Index (CPI) data, which annual increases to the CFD tax are based on
- Printable one-page reference guides for all districts with active levies on developed property.

- Previous years' disclosure reports, and more

The webpage is viewable at the link below or via the City's homepage then click on the City Departments button, the Finance button, and finally the Community Facilities District button.

<https://www.ci.vacaville.ca.us/government/finance/community-facilities-districts>

ENVIRONMENTAL IMPACT:

This item is exempt from environmental review, under the California Environmental Quality Act (CEQA) Guidelines Section 15061(b) (3), which exempts any project where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

FISCAL IMPACT:

Amount Requested: None.

Funding Source: Not applicable

Budget Distribution: Not applicable

ALTERNATIVES:

No alternatives are suggested. Sharing this annual report with the City Council is required under California Government Code.

STRATEGIC PLAN GOAL/INITIATIVE:

Goal #4 – Maintain Effective and Efficient Services

Initiative 2B: Manage Impacts from Growth

ATTACHMENTS:

Attachment 1: Senate Bill 165 Annual Report

SENATE BILL 165

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the “Act”). This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 50075.1 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision of Section 50075.1 or Section 53410.

Purpose of Special Tax

The Community Facilities Districts were formed to provide fire and law enforcement services within each of the districts.

Collections and Expenditures

The requirements of the Act apply to the Services Fund for the following districts:

| District | FY 2022/23 Annual Levy | 6/30/2023 Balance | Expended Amount | Service Status |
|--|---------------------------|----------------------|--------------------|----------------|
| CFD 1 Gonsalves-Lockie ⁽¹⁾ | \$409,960.00 | \$0.00 | \$409,960.00 | Ongoing |
| CFD 8 North Village | 470,856.24 | 0.00 | 470,856.24 | Ongoing |
| CFD 9 Portofino | 173,092.64 | 0.00 | 173,092.64 | Ongoing |
| CFD 10 Cheyenne | 685,389.78 | 0.00 | 685,389.78 | Ongoing |
| CFD 11 Southtown | 4,866,757.28 | 0.00 | 4,866,757.28 | Ongoing |
| CFD 12 In-fill | 543,218.66 | 0.00 | 543,218.66 | Ongoing |

(1) CFD 1 Gonsalves-Lockie precedes the Senate Bill 165 reporting requirement and is included for informational purposes only.

COMMUNITY FACILITIES DISTRICT NO. 13 (LOWER LAGOON VALLEY) IA 1 AND IA 2

Purpose of Special Tax

Community Facilities District No. 13 (Lower Lagoon Valley) Improvement Area No. 1 and Improvement Area No. 2 (the "CFD") is authorized to finance all or any part of the costs of acquisition, construction, and improvement of any facilities permitted to be financed under the Mello-Roos Community Facilities Act of 1982 and that are required to develop property within the CFD, including, but not limited to, the following:

- Water storage reservoirs and water booster stations
- Sewer lift stations
- Sewer and water transmission mains
- Public mass grading
- Roads
- Fire stations, fire protection facilities, and equipment related to the foregoing
- Parks, recreation facilities, and open space

The CFD authorized services include:

- Fire protection services
- Police protection services
- Lagoon Valley Park maintenance services
- Lighting and landscape maintenance services

Collections & Expenditures

The requirements of the Act apply to the following Funds for the CFD:

Improvement Area No. 1 Facilities

| District | FY 2022/23 Annual Levy | 6/30/2023 Balance | Expended Amount | Status |
|------------|---------------------------|----------------------|--------------------|---------|
| CFD 13 IA1 | \$0.00 | \$0.00 | \$0.00 | Ongoing |

Improvement Area No. 1 Services

| District | FY 2022/23 Annual Levy | 6/30/2023 Balance | Expended Amount | Service Status |
|------------|---------------------------|----------------------|--------------------|----------------|
| CFD 13 IA1 | \$150,413.08 | \$142,596.47 | \$7,816.61 | Ongoing |

Improvement Area No. 2 Facilities

| District | FY 2022/23 Annual Levy | 6/30/2023 Balance | Expended Amount | Status |
|------------|---------------------------|----------------------|--------------------|---------|
| CFD 13 IA2 | \$0.00 | \$0.00 | \$0.00 | Ongoing |

Improvement Area No. 2 Services

| District | FY 2022/23 Annual Levy | 6/30/2023 Balance | Expended Amount | Service Status |
|------------|---------------------------|----------------------|--------------------|----------------|
| CFD 13 IA2 | \$250,471.24 | \$242,654.65 | \$7,816.59 | Ongoing |