



Staff Report

TO: City Council
FROM: Elizabeth Gibbs, City Manager
DATE: October 4, 2022
SUBJECT: **Community Facilities District Program Update Regarding the Defeasance of the 1994 Local Agency Revenue Bonds, Series A and Series B**

Background and Analysis:

Over the past several years the City has implemented measures to reduce special tax rates for all applicable Improvement Areas (IAs) of Community Facility District (CFD) No. 93-1 and newer CFDs. Historically, the reduction in special tax rates has been accomplished through two forms i) bond refinancing, and ii) new money bond issuances which are considered the final series of bonds for CFDs/IAs.

For Fiscal Year (FY) 2022-23 the City and finance team reviewed funds available to defease the outstanding 1994 Local Agency Revenue Bonds Series A and Series B (the "Bonds"). These funds included only funds associated with the Bonds, such as local obligation Special Tax Funds and Authority held Reserve Funds. As a result, a special tax levy was not required to be enrolled for FY 2022-23 with respect to the local obligations of the Bonds (CFD 93-1 Improvement Area's 1, 2, 4 and 5). Cumulatively, this led to a savings of approximately \$863,781 across 1,066 parcels in those 4 IAs in FY 2022-23. Also, the early defeasance allows for a savings of \$56,950 in interest that would have otherwise been due on the bonds.

Fiscal Impact:

The fiscal impact on the City's general fund is indirect, as the administration and maintenance portions of assessments collected are the funding source for the administration of the CFD processes and maintenance of the various applicable geographic regions.

Recommended Action:

Receive and file report.

Attachments:

- A. Outstanding Bonds Maturity Date by District