



STAFF REPORT

July 19, 2023
File Number 0685-10

SUBJECT

SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2006-01 (EUREKA RANCH)

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council adopt Resolution 2023-81, setting the Special Tax Levy for Community Facilities District No. 2006-01 (Eureka Ranch) (the "District") for Fiscal Year 2023-24

Staff Recommendation: Approval (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

FISCAL ANALYSIS

A Special Tax is levied annually on land within Community Facilities District No. 2006-01 (Eureka Ranch) and collected through the County of San Diego Treasurer-Tax Collector's Office. The funds from the Special Tax are used to meet debt service obligations from the issuance of bonds and fund administrative expenses for the District.

PREVIOUS ACTION

The City Council approved the establishment of Community Facilities District No. 2006-01 (Eureka Ranch) on September 27, 2006, and has annually thereafter adopted a resolution setting the annual Special Tax Levy. Prior year's Resolution No. 2022-85 was adopted on July 20, 2022.

BACKGROUND

At the request of the property owner/developer and pursuant to the City's Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts, Community Facilities District No. 2006-01 (Eureka Ranch) was formed and bonds were issued for the purpose of providing street, storm drain and sewer improvements as well as utility undergrounding within the Eureka Ranch development and East Valley Parkway area as authorized in Section 6 of the Resolution of Formation No. 2006-227 adopted in September of 2006. As required, the proceeds of the bonds were held in a separate account and used only for such authorized purposes. As of June 30, 2013, all proceeds were expended, and the projects completed. As of July 1, 2023, \$10,570,000 of principal remain outstanding and the bonds mature on September 1, 2036.



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According to the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2006-01 (Eureka Ranch), a Special Tax shall be levied annually on land within the District and collected in the same manner and at the same time as ordinary ad valorem property taxes. The City is responsible for annually determining the Special Tax liability for each parcel within the District and for providing this information to the County of San Diego in August of every year.

A Maximum Special Tax Rate was established for developed residential property and undeveloped property. The amount of the Maximum Special Tax Rates and Proposed Actual Special Tax Rates for FY2023/24 are attached as Exhibit "A" to Resolution No. 2023-81.

A comparative analysis of the annual Special Tax Levy Calculation for FY2023/24 is presented on Attachment A. As noted in the analysis, the FY2023/24 Special Tax Levy requirement decreased from \$1,055,175.48 by 4.17% in the amount of \$43,967.20 or an average of \$130.08 per parcel.

The delinquency contingency provision for the FY2023/24 levy calculation increased by \$6,301.12. This increase was due to realization of an increase in the actual FY2022/23 delinquency rate (from 0.57% to 1.13%).

RESOLUTIONS

- A. Resolution No. 2023-81
- B. Resolution No. 2023-81 Exhibit "A" CFD 2006-01 (Eureka Ranch) Special Tax Rates

ATTACHMENTS

- A. Attachment "A" - CFD 2006-01 (Eureka Ranch) Special Tax Levy Comparative Analysis