



# STAFF REPORT

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July 19, 2023  
File Number 0685-10

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## SUBJECT

**SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2020-2 (The Villages)**

## DEPARTMENT

Finance

## RECOMMENDATION

Request the City Council adopt Resolution 2023-83, setting the Special Tax Levy for Community Facilities District No. 2020-2 (The Villages)(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. 2020-2 (The Villages) 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 pay administrative expenses for the District.

## PREVIOUS ACTION

The Villages Project was approved by the City Council on November 15, 2017.

On May 13, 2020, the City Council adopted Resolution No. 2020-45 approving the establishment of Community Facilities District No. 2020-2 (The Villages) and authorizing the Council to annually adopt a resolution setting the Special Tax Levy.

On July 21, 2021, the City Council adopted Resolution No. 2021-78, setting the Special Tax Levy for Community Facilities District No. 2020-2 (The Villages) for Fiscal Year 2021/22 on 216 developed lots located in The Villages Project.

On July 20, 2022, the City Council adopted Resolution No. 2022-88, setting the Special Tax Levy for Community Facilities District No. 2020-2 (The Villages) for Fiscal Year 2022/23 on 380 developed lots located in The Villages Project.



# CITY *of* ESCONDIDO

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### BACKGROUND

A Community Facilities District (CFD) is a special taxing district that is formed at the request of a project proponent with the approval of the local jurisdiction. CFD's were established in State Government Code in 1982 (also referred to as the Mello-Roos Act) to provide an alternate method for private property owners to finance the acquisition, construction and maintenance of certain public capital facilities, and/or to cover the related cost of ongoing services.

CFD No. 2020-2 was formed on May 13, 2020, to fund the public facilities fees associated with the Villages Project ("Project"), a development that includes 380 residential homes; recreational, social, and community amenities in a Village Center; and approximately 48.9 acres of permanent open space with active greenbelts and 3.5 acres of parks. On June 29, 2022, Special Tax Bonds of \$11,945,000 were issued. Total outstanding principal on the bonds as of July 1, 2023 is not changed and the bonds mature on September 1, 2052.

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 Fiscal Year 2023/24 is attached as Exhibit "A" to Resolution No. 2023-83. The Special Taxes received by the City will be deposited to a separate fund held by the Bank of New York, acting as Trustee, to be used for annual administrative expenses and fund the authorized facilities or future bond debt service payments.

A comparative analysis of the annual Special Tax Levy Calculation for FY2023/24 is presented on Attachment A. As noted in the analysis, the FY2022/23 Special Tax Levy requirement decreased from \$691,665.12 by 11.62% in the amount of \$80,352.88 or an average of \$211.45 per parcel.

The delinquency contingency provision for the FY 2023/24 levy calculation is \$10,218.60. This is based on the actual FY 2022/23 2<sup>nd</sup> installment delinquent summary date 5/17/23.

### RESOLUTIONS

- A. Resolution 2023-83
- B. Resolution No. 2023-83 Exhibit "A" CFD 2020-2 (The Villages) Special Tax Rates

### ATTACHMENTS

- A. Attachment "1" - CFD 2020-01 (The Villages) Special Tax Levy Comparative Analysis