



STAFF REPORT

July 20, 2022
File Number 0685-10

SUBJECT

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

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council adopt Resolution 2022-88, setting the Special Tax Levy for Community Facilities District No. 2020-2 (The Villages)(The “District”) for Fiscal Year 2022/23

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 Jul 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.

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



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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, 2022 is \$11,945,000 and the bonds mature on September 1, 2052.

The Villages development is now fully permitted; therefore, 380 lots in the Project will be assessed the Special Tax Levy in FY2022/23. 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 2022/23 is attached as Exhibit "A" to Resolution No. 2022-86. The Special Taxes received by the City will be deposited to a separate fund of the City to be used for annual administrative expenses and fund the authorized facilities or future bond debt service payments.

RESOLUTIONS

- A. Resolution 2022-88
- B. Resolution No. 2022-88 Exhibit "A" CFD 2020-2 (The Villages) Special Tax Rates