



City Council Agenda Item

City Council Meeting Date: July 18, 2023

TO: Dean Albro, City Manager

FROM: Matthew Adams, Accounting and Revenue Manager
m_adams@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6592(23) Ordering the Levy of Special Taxes for Fiscal Year 2023-24 Within Community Facilities District No. 2018-01 (Summit View Homes)

Recommendation:

Staff recommends the City Council adopt Resolution No. 6592(23) ordering the levy of special taxes for Fiscal Year (FY) 2023-24 within Community Facilities District No. 2018-01 (Summit View Homes).

Background:

On December 4, 2018, the City Council adopted Ordinance No. 1656(18) (Ordinance) levying special taxes within Community Facilities District No. 2018-01 (Summit View Homes) (CFD) to fund the annual operation, maintenance, servicing, and repair and replacement of streets, parkways, roads, sidewalks, curbs, gutters, street lighting, signals, street signage, and a contribution to public safety services costs. The Ordinance authorizes and directs the City Manager or designee to determine the maximum special tax rates, and the specific special tax amounts to be levied each fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Rate and Method of Apportionment (RMA).

Discussion:

The RMA specifies that the maximum special tax rates shall be adjusted each fiscal year by the weighted average of the annual escalation factor for maintenance costs (50%) and the annual escalation factor for non-maintenance service costs (50%). The annual escalation factor for maintenance service costs is equal to the percentage change in the Construction Cost Index as published by the Engineering News-Record ("ENRCCI") for the twelve months ending in January, as published in January of the preceding year, or 4%, whichever is greater. The annual escalation factor for non-maintenance service costs is equal to the percentage increase during the preceding year in the Consumer Price Index for All Urban Consumers in the Los Angeles-Long Beach-Anaheim, CA,

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metropolitan area (CPI-U), as published by the U.S. Department of Labor, Bureau of Labor Statistics for the twelve months ending in January, as published in January of the preceding year, or 4%, whichever is greater. Since these two annual escalation factors were 4.934% and 5.771% respectively, the annual escalation factor is 5.353%, and the maximum authorized special tax rates for FY 2023-24 are \$989.53 per residential unit for developed residential property.

The RMA specifies that for each fiscal year, the City Council will determine the special tax requirement and will levy the annual special tax on each assessor's parcel of developed residential property at up to 100% of the applicable maximum special tax to fund the special tax requirement. For purposes of the special tax, developed residential property is defined as parcels for which a building permit has been issued prior to April 1 of the preceding fiscal year for construction of a residential unit. If additional revenues are needed to provide: i) maintenance services; ii) road maintenance costs; iii) anticipated administrative expenses; and iv) cure any delinquencies in the payment of special taxes which have occurred in the prior fiscal year or pay for reasonably anticipated delinquent special taxes based on the delinquency rate for special taxes levied in the previous fiscal year, the annual special tax shall be levied proportionately on each assessor's parcel of undeveloped property up to 100% of the maximum special tax for undeveloped property.

The special tax revenue requirement for FY 2023-24 is \$39,159. As of April 1, 2023, 44 building permits were issued for the construction of residential units on 7.05 acres within the subdivision. Therefore, 44 developed parcels would be levied the special tax for developed property of \$889.98 per parcel (\$39,159 total). The applied tax rate differs from the maximum allowable tax rate because of budget allocation. The remaining 3.01 acres are tax-exempt property.

Fiscal Impact:

CFD special tax revenues for FY 2023-24 will be \$39,159.

Conclusion:

Adopting Resolution No. 6592(23) will authorize the levy of special taxes for FY 2023-24 within Community Facilities District No. 2018-01 (Summit View Homes).

Respectfully submitted,

Matthew Adams, Accounting and Revenue Manager

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APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Christie Donnelly, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachment: Resolution No. 6592(23)