

STAFF REPORT
City of Lancaster

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07/26/11
MVB

Date: July 26, 2011

To: Mayor Parris and City Council Members

From: Barbara Boswell, Finance Director

Subject: **Approval of Special Tax Levy within Community Facilities District No. 90-1 For Fiscal Year 2011-2012**

Recommendation:

Adopt **Resolution No. 11-57**, authorizing and providing for the Fiscal Year 2011-2012 levy of a special tax within Community Facilities District No. 90-1, a District established to finance the construction of regional street and storm drain improvements in the area of Lancaster Boulevard and 25th Street West.

Fiscal Impact:

No expenditure of City funds is involved since the special tax levy on land within CFD 90-1 proposed for 2011-2012 are sufficient to meet administrative costs and debt service requirements for 2011-2012 on CFD 90-1, 1990 Special Tax Bonds. The tax rate for all property types remains the same as 2010-2011 except Single Family Attached, Commercial/Industrial (per acre) and Undeveloped (per acre) as there are currently none of these property types in CFD 90-1.

Background:

CFD 90-1, otherwise known as Presley of Southern California, was established to finance the construction of regional street and storm drain improvements in the area of Lancaster Boulevard and 25th Street West. Thirteen million, eight hundred and fifty thousand dollars (\$13,850,000) in Special Tax bonds were issued.

On June 18, 1990, City Council adopted Ordinance No. 547, authorizing the levy of the special tax for CFD 90-1.

Following an election by the district on December 13, 1997, the bonds were reissued in an aggregate principal amount of \$9,065,000 dated March 1, 1998. Funds held in escrow for sales and payoffs within the district (including the Los Angeles County-owned property) were used to substantially reduce the amount outstanding. This refunding, along with a change in the rate and method of assessment calculation, resulted in substantial current and future savings to the property owners.

The levy of the special tax on an annual basis is required since the rate and method for special tax apportionment differentiates between developed property and undeveloped property. As homes are completed and sold by the developer, the property changes from undeveloped to developed status which carries a different tax rate for the homebuyer.

As required by Ordinance No. 547, authorizing the levy of a special tax for CFD 90-1, the City Council is required to adopt, by Resolution, the special tax levy in accordance with previously adopted "Rate and Method of Special Tax Apportionment". The City's Mello-Roos administrator, Willdan, has completed the Special Tax Levy Report for Fiscal Year 2011-2012.

BB:NR:jed

Attachments:

1. Resolution No. 11-57
2. Special Tax Levy Report – On file in the City Clerk's Office
3. Exhibit A – 2011-2012 Special Tax Rates