



CITY COUNCIL AGENDA REPORT

ADELANTO GOVERNMENTAL CENTER | 11600 AIR EXPRESSWAY | ADELANTO, CALIFORNIA 92301

DATE: June 8, 2016

TO: Honorable Mayor and Councilmembers

FROM: Misty Cheng, Director of Finance

BY: Larry Jarvis, Senior Management Analyst

SUBJECT: APPROVE RESOLUTION 16-31 ORDERING THE LEVY AND COLLECTION OF ANNUAL CFD 2006-2 SPECIAL TAXES FOR FISCAL YEAR 2016-17

STAFF RECOMMENDATION:

Approve Resolution 16-31 ordering the levy and collection of annual CFD 2006-2 special taxes for Fiscal Year 2016-17.

BACKGROUND:

Within the City of Adelanto we have an active CFD (or Community Facilities Districts) designated as CFD 2006-2 and it was formed in August 2007 respectively.

CFD's authorize the collection of a special tax to pay for certain public infrastructure improvements and public safety services within their particular Districts. The attached Resolutions authorize the levy of these special taxes on improved parcels within these Districts, and duly authorize the County of San Bernardino to add the special tax to the corresponding property owners' tax bills.

Our CFD's authorize the collection of two different taxes referred to as Special Tax A and Special Tax B.

Special Tax A was originally developed to fund the financing of onsite improvements required to be installed by the developer. When the district was formed certain assumptions were made regarding the project which included; tax rate, home prices, number of units, and the cost of improvements. Since that time, however, the housing market collapsed voiding all of the previous assumptions. For Fiscal Year 2016-17 this equates to a total levy of \$566,043 for both areas in CFD 2006-2.

Special Tax B, however, is recommended to be continued in full force. Special Tax B is collected to help subsidize the City's cost of Police and Fire services within the District. Staff recommends the continuation of Special Tax B at the maximum tax level for as long as the Council deems appropriate. For Fiscal Year 2016-17 this equates to a total levy of \$134,293 for both areas in CFD 2006-2.

Total for Fiscal Year 2016-17 this equates to a total levy of \$700,336 for both Special Tax A and Special Tax B in both area of CFD 2006-2.

FISCAL IMPACT:

The general fund will receive approx. \$134,293 in support of Police and Fire expenses.

ATTACHMENTS:

1. Resolution 16-31 and Maps of CFD 2006-2
2. Bond Debt Service