



Agenda Report

Fullerton City Council

MEETING DATE: JANUARY 21, 2020

TO: CITY COUNCIL / SUCCESSOR AGENCY

FROM: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: ELLIS CHANG, DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: COMMUNITY FACILITIES DISTRICT SPECIAL TAX BOND ANNUAL ACCOUNTABILITY REPORT

SUMMARY

California Government Code Section 50075.3 (SB 165) requires that the Chief Fiscal Officer of a local agency that levies special tax bonds provide an annual status report to the governing body prior to January 1. The annual accountability reports were timely filed with the California Debt and Investment Advisory Commission and the annual status report was provided to the City Council in a memorandum.

RECOMMENDATION

Receive and file.

BUDGET POLICY PRIORITY STATEMENT

This item matches the following Budget Policy Priority Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

No fiscal impact.

DISCUSSION

California Government Code Section 50075.3 (SB 165) requires that the Chief Fiscal Officer of a local agency that levies special tax bonds provide an annual status report to the governing body prior to January 1. The annual accountability reports were timely filed with the California Debt and Investment Advisory Commission and the annual status report was provided to the City Council in a memorandum. The annual status report

provides the required information for the Community Facilities Districts No.'s 1 and 2 (Amerige Heights). These special tax bonds financed the acquisition and construction of public facilities and improvements and are paid for by special tax levies on the properties within the district.

Community Facilities District (CFD) #1 (Amerige Heights)

In July 2002, the City of Fullerton issued \$21,375,000 in Community Facilities District No. 1 Special Tax Bonds (the "Series 2002 Bonds") to finance the acquisition and construction of certain public facilities and improvements, including community and neighborhood park improvements, Laguna Lake mitigation improvements, library technology improvements, fire station improvements, street and intersection improvements, street lighting and traffic signal improvements, storm drains, sanitary sewer systems and water system improvements required for the development of the property in Community Facilities District No. 1. In October 2012, Community Facilities District No. 1 issued \$19,040,000 aggregate principal amount of Special Tax Refunding Bonds (the "Series 2012 Bonds") to provide funds to refund all of the outstanding Series 2002 Bonds. The Series 2002 Bonds and the Series 2012 Bonds are collectively referred to herein as the "Bonds".

Separate accounts have been established with a third party trustee to administer the receipt and subsequent disbursement of the bond proceeds as the City of Fullerton accepts completed improvements. A summary sheet showing the deposit of bond proceeds as well as all subsequent disbursements made during the reporting period (November 1, 2018 through October 31, 2019) is attached as a part of this report. As of October 31, 2019, all public facilities required for the development of residential and non-residential properties within Community Facilities District No. 1 have been completed. Accordingly, the Improvement Fund has been closed.

Special taxes were levied in Fiscal Year 2018-2019 in the amount of \$1,390,152. These monies were used to pay debt service on the bonds and administrative expenses of the district.

Community Facilities District (CFD) #2 (Amerige Heights)

In May 2014 the City of Fullerton issued \$7,570,000 in Community Facilities District No. 2 Special Tax Bonds (the "Series 2014 Bonds") to finance the acquisition and construction of certain public facilities and improvements by the City and the Fullerton School District. The street facilities (including Hughes Drive), sewer and water facilities, dry utilities, work within the Union Pacific Railroad crossing on Hughes Drive, Neighborhood Park improvements (a 1/3 acre park at the northeast corner of the project), Launer Park improvements (a 40-foot wide area fronting the project on Hughes Drive and Hydraflow Way) and the Amerige Heights Park Extension improvements (including a 1.5 acre park with a 1,200 sq. ft. community facilities building, open park space which is located offsite) were previously completed.

The final pending Railroad Trail (a multi-use trail located adjacent to and extending along the length of the existing railroad tracks from Malvern to Hughes Drive) and tennis court improvements were completed by the Developer. Staff are working with the Developer to commence final project close out and disburse remaining Improvement Funds.

Separate accounts have been established with a third party trustee to administer the receipt and subsequent disbursement of the bond proceeds as the City of Fullerton accepts completed improvements. A summary sheet showing the deposit of bond proceeds as well as all subsequent disbursements made during the reporting period (November 1, 2018 through October 31, 2019) is attached as a part of this report. The Developer has communicated with the City that all public facilities required for the development of residential and non-residential properties within Community Facilities District No. 2 have been completed. Accordingly, Staff are reviewing project documents to commence final project close out and disbursement of remaining Improvement Funds.

Special taxes were levied in Fiscal Year 2018-2019 in the amount of \$435,532 to pay debt service on the bonds and administrative expenses of the district.

Attachments:

- Attachment 1 – Accountability Report for CFD No. 1
- Attachment 2 – Accountability Report for CFD No. 2