



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: October 6, 2020

Agenda Item 6M
Approvals:
City Manager ES
Dept. Head _____
Attorney _____
Finance TW

Department: Finance & Administrative Services
Prepared By: Erik Sund, Interim City Manager

Subject: **COMMUNITY FACILITIES DISTRICT NO. 2006-01 (MARBLEHEAD COASTAL) LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT REPORT (SB 165) FOR FISCAL YEAR ENDED JUNE 30, 2020.**

Fiscal Impact: None.

Summary: In order to be in compliance with the Local Agency Special Tax and Bond Accountability Act of the Government Code of the State of California (Sections 50075.1 and 53410), City Council must accept and file the Report for CFD No. 2006-1 (Marblehead Coastal) for the Fiscal Year ended June 30, 2020.

Background: The Community Facilities District (CFD) No. 2006-01 (Marblehead Coastal) of the City of San Clemente issued 2015 Special Tax Bonds on December 3, 2015.

Annually, a report is required of the CFD which includes information prepared in compliance with the Local Agency Special Tax and Bond Accountability Act ("Accountability Act"). The Accountability Act was enacted by California State Legislature through Senate Bill 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 1, 2001. According to the requirements of the Accountability Act (Sections 50075.1 and 53410 of the Government Code of the State of California), an annual report must be filed by the local agency levying the special tax and or issuing a bond measure and shall contain a description of the following:

- (1) The amount of funds collected and expended.
- (2) The status of any project required or authorized to be funded by the special tax and/or bond measure.

Discussion: An Improvement Fund was established pursuant to a Fiscal Agent Agreement executed in connection with the issuance of the 2015 Special Tax Bonds ("Bonds") of which proceeds of the Bonds shall be deposited and disbursed for the costs of the authorized facilities. As of June 30, 2020, the balance in the Improvement Fund was \$2,940,552.23.

The Community Facilities District No. 2006-1(Marblehead Coastal) Local Agency Special Tax and Bond Accountability Act Report (SB165) is attached (Exhibit 1) and includes information regarding the amount of annual Special Taxes collected and the authorized expenditures for Fiscal Year 2019-20.

Recommended

Action: STAFF RECOMMENDS THAT the City Council accept and file the Community Facilities District No. 2006-1 (Marblehead Coastal) Local Agency Special Tax and Bond Accountability Act Report (SB 165) for the fiscal year ended June 30, 2020.

Attachments: Exhibit 1: Community Facilities District No. 2006-1(Marblehead Coastal) Local Agency Special Tax and Bond Accountability Act Report (SB165)

Notification: Kara Meverden, Koppel & Gruber Public Finance



CITY OF SAN CLEMENTE
COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MARBLEHEAD COASTAL)

**LOCAL AGENCY SPECIAL TAX AND BOND
ACCOUNTABILITY ACT COMPLIANCE (SB 165)
FISCAL YEAR ENDED JUNE 30, 2020**

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TABLE OF CONTENTS

A. BACKGROUND.....	1
B. BOND PROCEEDS.....	2
C. CITY-HELD FUNDS	3
D. COLLECTION OF SPECIAL TAXES.....	4
E. EXPENDITURES TO FUND AUTHORIZED FACILITIES.....	5
F. AUTHORIZED FACILITIES	6

A. BACKGROUND

The Local Agency Special Tax and Bond Accountability Act (“Accountability Act”) was enacted by California State Legislature through Senate Bill 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 1, 2001. According to the requirements of the Accountability Act (*Sections 50075.1 and 53410 of the Government Code of the State of California*), an annual report must be filed by the local agency levying a special tax and/or issuing a bond measure on or before each January 1, commencing January 1, 2002 and shall contain a description of the following:

- (1) The amount of funds collected and expended to fund authorized facilities.
- (2) The status of any project required or authorized to be funded by the special tax and/or bond measure.

The information contained in this Section has been compiled and is being presented pursuant to and in accordance with the requirements outlined in the Accountability Act for Fiscal Year 2019/20.

B. BOND PROCEEDS

Community Facilities District No. 2006-1 (Marblehead Coastal) ("CFD No. 2006-1") of the City of San Clemente ("City") issued 2015 Special Tax Bonds ("Bonds") on December 3, 2015 in the aggregate principal amount of \$55,490,000. Proceeds of the Bonds were used to finance the construction of certain facilities within CFD No. 2006-1. The table below summarizes the application of the Bond proceeds:

Bond Proceeds

FUND/ACCOUNT/SUBACCOUNT	BOND PROCEEDS
Improvement Fund	\$51,600,000.00
Bond Fund ¹	1,989,713.89
Costs of Issuance Fund	732,809.65
Reserve Fund	4,697,950.96
Administrative Expense Fund	30,000.00
TOTAL²	\$59,050,474.50

¹ Represents monies used to fund interest on the Bonds through September 1, 2016.

² Total Bond proceeds deposited include the Original Issue Premium and exclude the Underwriter's Discount.

C. CITY-HELD FUNDS

Special Taxes collected are held by the City prior to being transferred to the Bond Fund held by the Fiscal Agent. The balance of the CFD No. 2006-1 City-held funds that are not required to fund items pursuant to and as further described in the CFD No. 2006-1 Fiscal Agent Agreement (“FAA”) established in connection with the issuance of the Bonds may be used to fund authorized facilities of the CFD. The following table provides a summary of the sources and uses of the CFD No. 2006-1 special tax funds held at the City for fiscal year ended June 30, 2020.

City-Held Funds

ITEM	BALANCE
BEGINNING BALANCE AS OF JULY 1, 2019	\$1,776,240.83
<i>Sources of Funds</i>	
Special Tax Receipts ¹	\$3,030,171.26
Special Tax Prepayments ²	701,026.00
Interest Accrued	19,809.84
Miscellaneous Transfers (in) ³	24,187.12
<i>Subtotal: Sources</i>	<i>\$3,775,194.22</i>
<i>Uses of Funds</i>	
Transfers to Bond Fund ⁴	(\$3,590,951.46)
Administrative Expenses	(28,659.41)
Miscellaneous Transfers (out)	0.00
<i>Subtotal: Uses</i>	<i>(\$3,619,610.87)</i>
ENDING BALANCE AS OF JUNE 30, 2020	\$1,931,824.18

¹ Includes Special Taxes and any delinquent amounts collected by the County and transferred to the City. Excludes any special taxes that were charged for FY 2019/20 but not apportioned to the City until after June 30, 2020.

² Represents funds received from property owner special tax prepayments.

³ Represents funds used to reverse the replenishment of a negative cash balance in Fund AD 99-11 from FY 2018/19.

⁴ Represents funds used for the September 1, 2019 and March 1, 2020 debt service payments and funds used to conduct a bond call on September 1, 2020.

D. COLLECTION OF SPECIAL TAXES

The table below provides a summary of the Special Taxes deposited, interest accrued, transfers, and other transactions within the Bond Fund for fiscal year ended June 30, 2020.

Bond Fund	
ITEM	BALANCE
BEGINNING BALANCE AS OF JULY 1, 2019	\$1,207.27
<i>Sources of Funds</i>	
Special Tax Receipts	\$2,890,051.30
Interest Accrued	600.27
Miscellaneous Transfers (in) ¹	701,026.00
<i>Subtotal: Sources</i>	<i>\$3,591,677.57</i>
<i>Uses of Funds</i>	
Transfers to Bond Fund (Debt Service)	\$(2,891,700.00)
Miscellaneous Transfers (out)	0.00
Transfers to Administrative Expense Fund	0.00
<i>Subtotal: Uses</i>	<i>\$(2,891,700.00)</i>
ENDING BALANCE AS OF JUNE 30, 2020	\$701,184.84

¹ Represents funds received from parcel owner prepayments which will be used to conduct a bond call on September 1, 2020.

E. EXPENDITURES TO FUND AUTHORIZED FACILITIES

The FAA established an Improvement Fund of which proceeds from the Bonds shall be deposited and disbursed for the costs of the authorized facilities. The following table shows the initial Bond proceeds deposited, interest accrued, transfers and expenditures made to fund the Facilities from bond inception through June 30, 2020 for the Improvement Fund.

Improvement Fund

ITEM	BALANCE
<i>Sources of Funds</i>	
Initial Bond Proceeds Deposited	\$51,600,000.00
Interest Accrued	904,036.97
<i>Total Sources</i>	<i>\$52,504,036.97</i>
<i>Expenditures</i>	
Facilities	\$(49,563,484.74)
<i>Total Expenditures</i>	<i>\$(49,563,484.74)</i>
Ending Balance as of June 30, 2020	\$2,940,552.23

F. AUTHORIZED FACILITIES

The purpose of CFD No. 2006-1 is to provide for the cost of financing the construction and engineering design of the Facilities (described generally below), the payment of development impact fees and the incidental expenses related to financing, forming and administering CFD No. 2006-1. Descriptions of the authorized Facilities are as follows:

- Arterial Roadways
 - Ave. Vista Hermosa
 - Ave. Vista Hermosa Bridge
 - Ave. Pico
 - El Camino Real
- Local Public Roadways
 - Los Molinos & Via Socorro
- Public Parks & Trails
 - Sports Park
 - Pico Park
 - 2 Passive Parks
 - Regional Public Trails
 - Courtney Sand Castle
 - Artificial Turf (Sports Park)
- Storm Drains
 - Offsite Drain Line
 - Residential Drain Lines
- Low-Flow 1st Flush System
 - Off-site system
 - Residential System
- Water System
 - Offsite 12" Line
 - Residential Line with 2 PRS
- Sewer System
 - Offsite 12" Line
 - Residential Line
- Fees and Assessment
 - Transportation RCFPP (Residential Portion)
 - Water Capacity and Connection Fee (Residential Portion)
 - Sewer Assessment District No. 85-1 Obligation