



# AGENDA REPORT

## CITY OF SAN CLEMENTE

### CITY COUNCIL MEETING

910 Calle Negocio  
2nd Floor  
San Clemente, California  
www.san-clemente.org

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**Meeting Date:** November 7, 2023

Agenda Item: 7E

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**Department:** Finance & Administrative Services  
**Prepared By** Jake Rahn, Financial Services Officer

**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, 2023**

**Fiscal Impact:**

None.

**Summary:**

The Local Agency Special Tax and Bond Accountability Act of the Government Code of the State of California (Sections 50075.1 and 53410) requires the Governing Body to receive and file an annual report for Community Financing District (CFD) No. 2006-1 (Marblehead Coastal).

**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.

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. 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 report prepared is for June 30, 2023.

In compliance with the requirements of the Accountability Act (Sections 50075.1 and 53410 of the Government Code of the State of California), the annual report (Exhibit 1) contains a description of the following:

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

**Council Options:**

- Adopt Resolution No. 23-124, which approves and receives the CFD report.
- Modify and adopt Resolution No. 23-124.
- Continue the Item and direct staff to provide additional information.

***Environmental Review/Analysis:***

This is not a “project” under the California Environmental Quality Act.

***Recommended Actions:***

**Staff Recommendation**

STAFF RECOMMENDS THAT the City Council adopt Resolution No. 23-124 Approving and Receiving the City of San Clemente 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, 2023.

***Attachments:***

1. Resolution No. 23-124
2. 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

RESOLUTION NO. 23-124

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, APPROVING AND RECEIVING THE CITY OF SAN CLEMENTE COMMUNITY FACILITIES DISTRICT NO. 2006-1 LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT COMPLIANCE REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WHEREAS, the State Law under Government Code Section 50075 and 53410 require and annual report to be prepared by the local agency for levy of a special tax voted on or after January 1, 2001; and

WHEREAS, an annual report for the City of San Clemente 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, 2023 has been prepared in accordance with State law and is attached as Exhibit 1; and

WHEREAS, the annual report has been filed with the governing body.

NOW, THEREFORE, the City Council of the City of San Clemente does hereby finds, determines and resolve as follows:

Section 1. That the above recitals are true and correct and incorporated herein as findings.

Section 2. That the report attached to this resolution as Exhibit 1 has been prepared and filed with the City Council in accordance with State law requirements.

Section 3. That the report attached to this resolution as Exhibit 1 is hereby approved and received.

Section 4. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

ATTEST:

\_\_\_\_\_  
City Clerk of the City of  
San Clemente, California

\_\_\_\_\_  
Mayor of the City of San  
Clemente, California

STATE OF CALIFORNIA     )  
 COUNTY OF ORANGE        ) §  
 CITY OF SAN CLEMENTE    )

I, LAURA CAMPAGNOLO, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. 23-124 was adopted at a regular meeting of the City Council of the City of San Clemente held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 CITY CLERK of the City of  
 San Clemente, California

Approved as to form:

\_\_\_\_\_  
 Elizabeth A. Mitchell, City Attorney



City of San Clemente  
Community Facilities  
District No. 2006-1  
(Marblehead Coastal)

Local Agency Special Tax  
and Bond Accountability  
Act Compliance  
(SB 165)

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# TABLE OF CONTENTS

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

## **A. BACKGROUND**

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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 2022/23.



## **B. BOND PROCEEDS**

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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**

<b>FUND/ACCOUNT/SUBACCOUNT</b>	<b>BOND PROCEEDS</b>
Improvement Fund	\$51,600,000.00
Bond Fund <sup>1</sup>	1,989,713.89
Costs of Issuance Fund	732,809.65
Reserve Fund	4,697,950.96
Administrative Expense Fund	30,000.00
<b>TOTAL<sup>2</sup></b>	<b>\$59,050,474.50</b>

<sup>1</sup> Represents monies used to fund interest on the Bonds through September 1, 2016.

<sup>2</sup> 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, 2022.

### CITY-HELD FUNDS

ITEM	BALANCE
<b>BEGINNING BALANCE AS OF JULY 1, 2022</b>	<b>\$2,155,405.16</b>
<b><i>Sources of Funds</i></b>	
Special Tax Receipts <sup>1</sup>	3,175,949.70
Interest Accrued	20,601.52
Miscellaneous Transfers (in)	0.00
<i>Subtotal: Sources</i>	<i>\$3,196,551.22</i>
<b><i>Uses of Funds</i></b>	
Transfers to Bond Fund <sup>2</sup>	(\$2,985,296.23)
Administrative Expenses	(41,337.71)
Miscellaneous Transfers (out)	0.00
<i>Subtotal: Uses</i>	<i>(\$3,026,633.94)</i>
<b>ENDING BALANCE AS OF JUNE 30, 2023</b>	<b>\$2,325,322.44</b>

<sup>1</sup> 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 2021/22 but not apportioned to the City until after June 30, 2022.

<sup>2</sup> Represents funds used for the September 1, 2022 and March 1, 2023 debt service payments.

**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, 2023.

<b>BOND FUND</b>	
<b>ITEM</b>	<b>BALANCE</b>
<b>BEGINNING BALANCE AS OF JULY 1, 2022</b>	<b>\$0.36</b>
<b><i>Sources of Funds</i></b>	
Special Tax Receipts	\$2,985,296.23
Interest Accrued	892.38
Miscellaneous Transfers (in)	0.00
<i>Subtotal: Sources</i>	<i>\$2,986,188.61</i>
<b><i>Uses of Funds</i></b>	
Transfers to Principal and Interest Accounts (Debt Service)	(\$2,985,400.00)
Miscellaneous Transfers (out)	0.00
Transfers to Administrative Expense Fund	0.00
<i>Subtotal: Uses</i>	<i>(\$2,985,400.00)</i>
<b>ENDING BALANCE AS OF JUNE 30, 2023</b>	<b>\$788.97</b>

**E. EXPENDITURES TO FUND AUTHORIZED FACILITIES**

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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, 2023 for the Improvement Fund.

<b>Improvement Fund</b>	
ITEM	BALANCE
<b><i>Sources of Funds</i></b>	
Initial Bond Proceeds Deposited	\$51,600,000.00
Interest Accrued	999,886.80
<i>Total Sources</i>	<i>\$52,599,886.80</i>
<b><i>Expenditures</i></b>	
Facilities	(\$49,663,929.56)
<i>Total Expenditures</i>	<i>(\$49,663,929.56)</i>
<b>Ending Balance as of June 30, 2023</b>	<b>\$2,935,957.24</b>

## **F. AUTHORIZED FACILITIES**

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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 1<sup>st</sup> 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