



AGENDA REPORT

CITY OF SAN CLEMENTE

CITY COUNCIL MEETING

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

Meeting Date: November 19, 2024

Agenda Item: 11F

Submitted By: Finance and Administrative Services

Prepared By: Jake Rahn, Financial 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, 2024

Fiscal Impact:

There are no cost or financial liabilities relating to receiving the annual compliance report.

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, 2024.

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. 24-178, which approves and receives the CFD report.
- Modify and adopt Resolution No. 24-178.
- 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. 24-178 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, 2024.

Attachment:

1. Resolution No. 24-178
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. 24-178

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, 2024

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, 2024 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 find, determine 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 _____, 2024.

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. 24-178 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)

Special Tax Accountability Report
(SB 165)
Fiscal Year 2023/2024

Prepared for:
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SECTION I. 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 Report has been compiled and is being presented to and in accordance with the requirements outlined in the Accountability Act for Fiscal Year 2023/2024 for the City of San Clemente (“City”) and their Community Facilities District No. 2006-1 (Marblehead Coastal) (“CFD No. 2006-1” or “CFD”).

SECTION II. BOND PROCEEDS

The 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:

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.

SECTION III. 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, 2024.

Item	Balance
Beginning Balance as of July 1, 2023	\$2,329,687.19
Sources of Funds:	
Special Tax Receipts ¹	\$3,274,114.63
Interest Accrued	38,109.79
<i>Subtotal: Sources of Funds</i>	<i>\$3,312,224.42</i>
Uses of Funds:	
Transfers to Bond Fund ²	(\$2,643,529.88)
Administrative Expenses	(14,751.71)
<i>Subtotal: Uses of Funds</i>	<i>(\$2,658,281.59)</i>
Ending Balance as of June 30, 2024	\$2,983,630.02

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 2023/2024 but not apportioned to the City until after June 30, 2024.

² Represents funds used for the September 1, 2023 and March 1, 2024 debt service payments.

SECTION IV. 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, 2024.

Item	Balance
Beginning Balance as of July 1, 2023	\$788.97
Sources of Funds:	
Special Tax Receipts	\$3,049,667.67
Interest Accrued	13,354.70
<i>Subtotal: Sources of Funds</i>	<i>\$3,063,022.37</i>
Uses of Funds:	
Transfers to Principal and Interest Accounts (Debt Service)	(\$3,055,600.00)
<i>Subtotal: Uses of Funds</i>	<i>(\$3,055,600.00)</i>
Ending Balance as of June 30, 2024	\$8,211.34

SECTION V. 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 authorized facilities from Bond inception through June 30, 2024 for the Improvement Fund.

Item	Balance
Sources of Funds:	
Deposit into the Improvement Fund	\$51,600,000.00
Interest Accrued	1,156,721.04
<i>Total Sources of Funds</i>	<i>\$52,756,721.04</i>
Expenditures:	
Authorized Facilities	(\$49,663,929.56)
<i>Total Expenditures</i>	<i>(\$49,663,929.56)</i>
Ending Balance as of June 30, 2024	\$3,092,791.48

SECTION VI. 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
 - Water Quality Improvements
- Low-Flow 1st Flush System
 - Off-Site System
 - Residential System
- Water System
 - Offsite 12" Line
 - Residential Line with 2 PRS
 - Pump Station
- Sewer System
 - Offsite 12" Line
 - Residential Line
- Fees and Assessment
 - Transportation RCFPP (Residential Portion)
 - Water Capacity and Connection Fees (Residential Portion)
 - Sewer Assessment District No. 85-1 Obligation