



309 North Rios Avenue  
Solana Beach, California  
92075

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## BOARD OF DIRECTORS

**Eric Dill,**

Chairperson,

San Dieguito Union High  
School District

**Nancy Lynch,**

Vice Chairperson,

Solana Beach School  
District

**Doug Rafner,**

Director,

Del Mar Union School  
District

**Mark Risco,**

Executive Director and  
Board Secretary

## North City West School Facilities Financing Authority Board of Directors' Meeting

June 05, 2014

309 North Rios Avenue Solana Beach, CA 92075

2:30 p.m.

Phone: (858) 792-6937; Fax: (858) 792-8270

### Welcome...

### PUBLIC COMMENTS

With the exception of personnel items, individuals wishing to address the Board concerning an agenda item (or on other topics pertaining to JPA/CFD jurisdiction) are invited to do so at this time.

In the interest of time, **public presentations are limited to five (5) minutes per person, per topic.** If you wish to speak, please complete a card (located at the sign-in desk); and present it to the Board chairperson before commencement of the meeting. When the chairperson invites you to speak, please state your name, address and/or organization before making your presentation.

**Please note:** The law does not permit complaints and/or charges against an employee or staff member in an open Board of Directors' meeting.

In accordance with the Brown Act, there shall be no action taken for an item that has not been scheduled on a published agenda. Instead, the Board may:

- 1) Acknowledge receipt of the information,
- 2) Refer to staff for further study, or
- 3) Defer the matter to a future agenda.

We appreciate your cooperation.

### PUBLIC INSPECTION OF DOCUMENTS

In compliance with *Government Code 54957.5*, agenda related documents distributed to the Board less than 72 hours prior to meetings are available for inspection at North City West School Facilities Financing Authority executive offices located at 27368 Via Industria, Suite 110, Temecula, California.

### CLOSED SESSION

To consider timely, qualified matters of litigation, personnel, or on real estate negotiations, the Board may meet in a closed session.

### AMERICANS WITH DISABILITIES ACT

In compliance with the *Americans with Disabilities Act*, please contact the director at (858) 792-6937 by **noon**, the day before the Board meeting, to arrange reasonable accessibility for meeting participation.

Please set cellular phones and pagers to **silent mode**, and engage in conversations outside the meeting room.

# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

## AGENDA

<u>Items</u>	<u>Page No.</u>
<b>1. CALL TO ORDER</b>	
A. Call to order June 05, 2014 at 2:30 p.m.	
<b>2. PLEDGE OF ALLEGIANCE</b>	
<b>3. APPROVAL OF AGENDA</b>	<b>1-2</b>
<b>4. APPROVAL OF MINUTES</b>	<b>3-4</b>
A. Regular meeting, March 13, 2014	
<b>5. PUBLIC COMMENT</b>	
In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.	
<b>6. FINANCIAL REPORTS</b>	<b>5-13</b>
The following reports record the routine business of the JPA/CFD for Fiscal Year 2013/14. Members of the Board, the administration or the public may request that specific items be discussed prior to their acknowledgement.	
A. Executive Summary	
B. Building Permit Activity	
C. Financial Overview	
D. Income	
E. Expenditures (through April 2014)	

# North City West School Facilities Financing Authority

## Directors:

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

## 7. EXECUTIVE DIRECTOR'S REPORT

- A. Delinquency Management Update. 70 Reminder Letters sent 2/20/13 for CFD 1 & 2

## 8. ACTION ITEM

14

- A. Review and Approve NCW JPA Administrative Budget for Fiscal Year 2014/15
- B. Election of NCW JPA Board officers for Fiscal Year 2014/15
- C. Establish dates and time for regular NCW JPA Board meeting for Fiscal Year 2014/15
- D. Approve Annual Special Tax levy for CFD No. 1 Special Taxes for Fiscal Year 2014/15
- E. Approve Annual Special Tax levy for CFD No. 2 Special Taxes for Fiscal Year 2014/15
- F. Approve Resolution 14-03 to appoint representatives and alternates to the San Diego County School Risk Management JPA
- G. Approve signature authority for Fiscal Year 2014/15 for the following: Office of Education warrants and mail; Wells Fargo Zero Balance account; San Diego County Treasurer fund transfers; and Trustee (US Bank) bond fund.

## 9. DISCUSSION ITEMS

- A. Dates of Upcoming Board Meetings
- B. NCW Funding possibility for the modernization of schools
- C. San Dieguito UHSD Middle School No. 5 update

## 10. ADJOURNMENT

The next scheduled Board Meeting will be held on \_\_\_\_\_ at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075

# North City West School Facilities Financing Authority

## Directors:

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### ITEM 4A

### MINUTES

The Directors of the **North City West School Facilities Financing Authority** and Community Facilities District 1 & 2 of the North City West School Facilities Financing Authority held a **Regular Meeting** on **March 13, 2014** at Solana Beach School District Offices, 309 North Rios Avenue, Solana Beach, CA, 92075. (The letters "JPA" will be used in place of North City West School Facilities Financing Authority and the letters "CFD" will be used in place of Community Facilities Districts 1 & 2).

#### PRESENT:

Directors: Eric Dill, San Dieguito Union High School District  
Doug Rafner, Del Mar Union School District

#### Other Personnel, Member Districts:

Caroline Brown, Solana Beach School District  
Carlos Estella, Solana Beach School District  
Holly McClurg, Del Mar Union School District

Administration: Mark Risco, Willdan Financial Services  
Gladys Medina, Willdan Financial Services  
Beatrice Medina, Willdan Financial Services

Legal Counsel: Kelly Salt, Best Best & Krieger LLP

#### **1. CALL TO ORDER, PLEDGE OF ALLEGIANCE**

The meeting was called to order at 2.30 p.m.

#### **2. PLEDGE OF ALLEGIANCE**

#### **3. CLOSED SESSION**

#### **4. APPROVAL OF AGENDA**

Moved by Rafner, second by Lynch to approve the agenda. Carried unanimously.

# North City West School Facilities Financing Authority

**Directors:**

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**5. APPROVAL OF MINUTES**

Moved by Rafner, second by Lynch to approve the minutes. Carried unanimously.

**6. PUBLIC COMMENT**

There was no public comment.

**7. EXECUTIVE DIRECTOR'S REPORT**

We have not received any building permits.

Expenditures are within the allotted budget amount approved by Board.

Form 700 have been submitted

Delinquencies are low.

Refund Letters were mailed on February 28, 2014

**8. ACTION ITEMS**

Review and Acknowledge the audit findings for the FY 12/13 NCW JPA Annual Independent Audit.

Moved by Rafner, second by Lynch to approve item. Carried unanimously.

**9. DISCUSSION ITEMS**

Next Board meeting is June 5, 2014

San Dieguito UHSD Middle School No. 5

NCW Funding Possibilities (Del Mar SD) for modernization.

**10. ADJOURNMENT OF MEETING**

Meeting adjourned at 3:00 p.m. Moved by Rafner, second by Dill. Carried unanimously.

The next scheduled Board Meeting will be held on June 05, 2014 at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075

NORTH

CARMEL VALLEY

# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
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Mark Risco, Executive Director and Board Secretary

**ITEM 6A**

**SUBJECT: EXECUTIVE SUMMARY, FINANCIAL REPORTING THROUGH APRIL 30, 2014**

**1. School fees/building permits for CFD No.1**

For Fiscal Year 2013/14, school fees for 0 homes were paid.

**2. Direct Master Plan school fee permits forecast:**

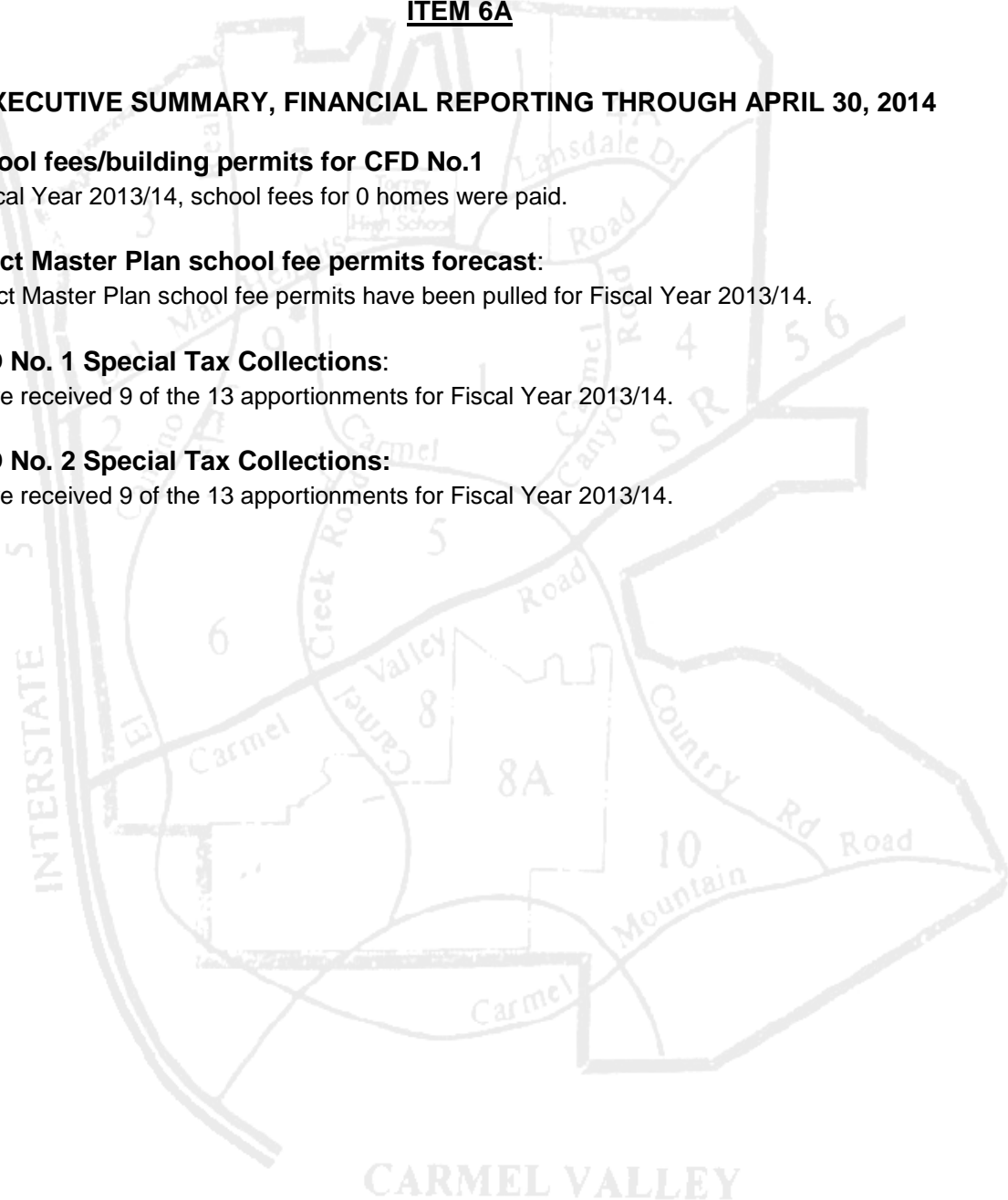
No direct Master Plan school fee permits have been pulled for Fiscal Year 2013/14.

**3. CFD No. 1 Special Tax Collections:**

We have received 9 of the 13 apportionments for Fiscal Year 2013/14.

**4. CFD No. 2 Special Tax Collections:**

We have received 9 of the 13 apportionments for Fiscal Year 2013/14.







# North City West School Facilities Financing Authority

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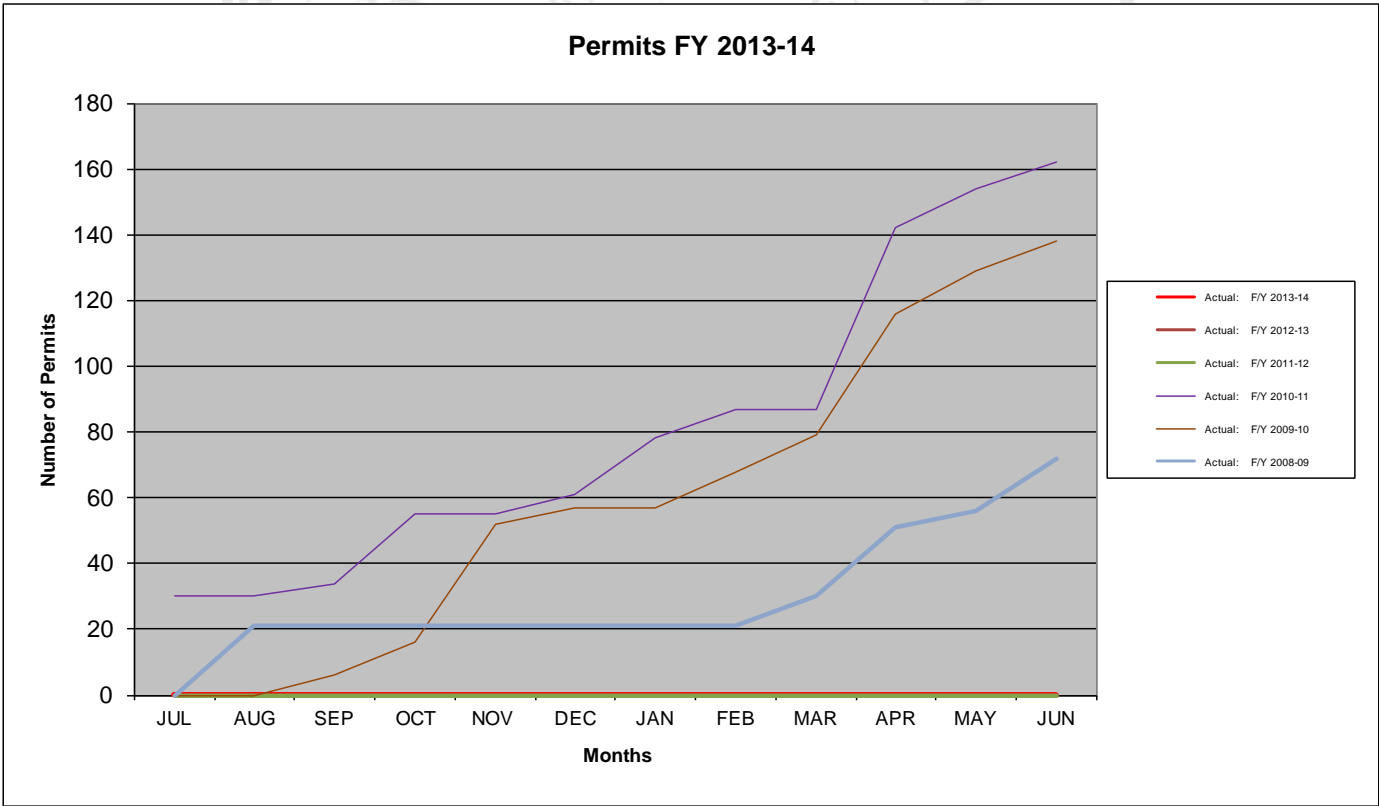
**ITEM 6B-2**

**CARMEL VALLEY RESIDENTIAL BUILDING PERMITS**

**YEAR TO DATE TOTALS**

*Current Fiscal Year 2013-14*

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Actual: F/Y 2013-14	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2012-13	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2011-12	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2010-11	30	30	34	55	55	61	78	87	87	142	154	162
Actual: F/Y 2009-10	0	0	6	16	52	57	57	68	79	116	129	138
Actual: F/Y 2008-09	0	21	21	21	21	21	21	21	30	51	56	72
Actual: F/Y 2007-08	7	7	15	15	23	32	46	46	62	70	85	85





# North City West School Facilities Financing Authority

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## ITEM 6C

### FINANCIAL OVERVIEW

The financial overview consists of three parts:

#### **ITEM 7C-1 - Summary of Current Funds Available for Future Projects**

Shows funds on deposit as of the beginning of each fiscal quarter, less current fiscal year encumbrances, resulting in the balance of unencumbered funds available for future projects.

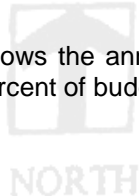
Funds held in the San Diego County Treasury (through the S.D. County Office of Education).

- A. **Fund 77** (21-09): CFD No. 1 Special Tax Funds.
- B. **Fund 78** (21-10): CFD No. 1 Special Taxes collected by County of San Diego.
- C. **Fund 79** (35-00): Direct mitigation fees collected under the Master Plan.  
And CFD No. 2 Special Taxes collected by the County of San Diego.
- D. **Fund 83** (21-25): Del Mar Neighborhood #8A School Site Fund.
- E. **Fund 84** (21-25): Del Mar Neighborhood #8A School Construction Fund.

Currently inactive funds: 76, 80, 81, 82

#### **ITEM 7C-2 - Financial Status of Approved Projects**

Shows the annual approved project budgets, the year to date project expenditures (by county fund or bonds), the percent of budget spent year to date, and the resulting unspent balance remaining for the fiscal year.



CARMEL VALLEY

# North City West School Facilities Financing Authority

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## ITEM 7C-1

### SUMMARY OF CURRENT FUNDS AVAILABLE FOR FUTURE PROJECTS

Current Fiscal Year 2013-14

As of April 30, 2014

	July 31, 2013	Sept 30, 2013	Dec 31, 2013	April 30, 2014
<b>FUNDS ON DEPOSIT</b>				
Fund 76, subordinate tax fund	\$ 6,243	\$ 6,243	\$ 6,248	\$ 6,259
Fund 77, CFD #1 devel fees & check acct	\$ 1,256,817	\$ 1,256,817	\$ 1,257,796	\$ 1,259,919
Fund 78, less semi-annual bond payments	\$ 8,998,247	\$ 4,417,840	\$ 6,361,213	\$ 8,496,064
Fund 79, Master Plan fees & CFD #2	\$ (15,162)	\$ (15,186)	\$ (6,758)	\$ -
Fund 80, SBSB #6 site	\$ -	\$ -	\$ -	\$ -
Fund 81, La Costa Canyon	\$ -	\$ -	\$ -	\$ -
Fund 82, SBSB #6 construction	\$ -	\$ -	\$ -	\$ 1
Fund 83, DMUSD #7 land	\$ 84,830	\$ 84,830	\$ 84,896	\$ 85,040
Fund 84, DMUSD #7 construction	\$ 4	\$ 4	\$ 4	\$ 4
1997C Bond Construction Fund	\$ -	\$ -	\$ -	\$ -
2002 Subordinate Bonds (Spec. Account)	\$ 41,054	\$ 41,054	\$ 41,054	\$ 41,054
2005A & B Subordinate Bonds	\$ 4,701,992	\$ 4,707,744	\$ 4,707,771	\$ 4,707,792
<b>Total Funds on Deposit</b>	<b>\$ 15,074,027</b>	<b>\$ 10,499,348</b>	<b>\$ 12,452,225</b>	<b>\$ 14,596,133</b>
<b>ENCUMBRANCES</b>				
Carmel Valley Middle School Expansion	\$ 4,245,993	\$ 4,245,993	\$ 4,245,993	\$ 4,245,993
La Costa Canyon High School				
Torrey Pines H.S. C.S.R. addition				
Ashley Falls School				
Ashley Falls addition				
Sage Canyon School (Neighb. #10)				
Sage Canyon 8 Relocatables				
Del Mar School (Neighb. #8A) site	\$ 72,852	\$ 72,852	\$ 72,852	\$ 72,852
Del Mar School (Neighb. #8A) construct.				
Other Del Mar JPA Relocatables				
Solana Pacific School construction				
Administration	\$ 90,719	\$ 90,695	\$ 81,520	\$ 18,098
NCW JPA Reserve				
<b>Total Encumbrances</b>	<b>\$ 4,409,564</b>	<b>\$ 4,409,540</b>	<b>\$ 4,400,365</b>	<b>\$ 4,336,943</b>
<b>SUMMARY</b>				
Total Funds on Deposit	\$ 15,074,027	\$ 10,499,348	\$ 12,452,225	\$ 14,596,133
Encumbrances (current fiscal year)	\$ (4,409,564)	\$ (4,409,540)	\$ (4,400,365)	\$ (4,336,943)
<b>Unencumbered Funds Available</b>	<b>\$ 10,664,463</b>	<b>\$ 6,089,808</b>	<b>\$ 8,051,860</b>	<b>\$ 10,259,190</b>

# North City West School Facilities Financing Authority

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## ITEM 6C-2

### FINANCIAL STATUS OF APPROVED PROJECTS

Current Fiscal Year 2013-14  
As of April 30, 2014

		C.V. MIDDLE SCHOOL	DEL MAR ELEM. N #8A School	ADMIN.	TOTAL PROJECTS
F/Y 2013/14	L		\$ 72,852		\$ 72,852
BUDGET	C	\$ 4,245,993	\$ -	\$ 101,350	\$ 4,347,343

EXPEND.	L				
FUND 78	C				\$ -
EXPEND.	L				
FUND 79	C			\$ 83,252	\$ 83,252
EXPEND.	L				\$ -
FACIL. FUND.	C				\$ -
TOTAL	L				\$ -
EXPEND.	C	\$ -	\$ -	\$ 83,252	\$ 83,252

PERCENT	L		0.0%		
OF BUDGET	C	0.0%	0.0%	82.1%	

BALANCE	L		\$ 72,852	\$ -	\$ 72,852
REMAINING	C	\$ 4,245,993	\$ -	\$ 18,098	\$ 4,264,091

# North City West School Facilities Financing Authority

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**ITEM 6D**

**INCOME TO DATE, Funds 76, 77, 78, 79, 80, 81, 82, 83, & 84**

Current Fiscal Year 2013-14  
 As of April 30, 2014

DATE	ITEM NO.	SOURCE	FUND 77 (21-09)		FUND 78 (21-10)			FUND 79 (35-00)				FUND 76 (21-62)	FUNDS (21-00,25)
			PERMIT INCOME	INTEREST INCOME	TAX APPN. INCOME	INTEREST INCOME	MISC. INCOME	TAX APPN. INCOME	INTEREST INCOME	PERMIT INCOME	MISC. INCOME	INTEREST INCOME	80, 81, 82, 83 & 84 INCOME
7/16/13	CT	Apportionment #13			\$ 28,229.49			\$ 7,314.60					
7/29/13	CT	County Int, 100% 6/30/13		\$ 993.77		\$ 6,238.41			\$ 9.42			\$ 4.94	\$ 67.08
8/13/13	CT	Apportionment #1			\$ 8,689.86								
9/10/13	CT	Apportionment #2			\$ 7,349.17								
10/8/13	CT	Apportionment #3			\$ 9,775.52								
10/23/13	CT	County Int, 100% 9/30/13		\$ 978.75		\$ 5,203.16			\$ 5.32			\$ 4.86	\$ 66.06
11/5/13	CT	Apportionment #4			\$ 300,356.73			\$ 1,425.40					
12/10/13	CT	Apportionment #5			\$ 1,628,037.01			\$ 16,172.00					
1/14/14	CT	Apportionment #6			\$ 2,739,122.40			\$ 19,282.00					
1/21/14	CT	County Int, 100% 12/31/13		\$ 1,003.11		\$ 3,975.38			\$ 4.19			\$ 4.98	\$ 67.71
2/11/14	CT	Apportionment #7			\$ 303,943.59			\$ 1,876.26					
3/11/14	CT	Apportionment #8			\$ 310,444.83			\$ 3,732.00					
4/8/14	CT	Apportionment #9			\$ 388,591.59			\$ 1,866.00					
4/17/14	CT	County Int, 100% 03/31/14		\$ 1,119.89		\$ 6,984.94			\$ 18.57			\$ 5.56	\$ 75.59
YEAR TO DATE TOTAL INCOME			\$ -	\$ 4,095.52	\$ 5,724,540.19	\$ 22,401.89	\$ -	\$ 51,668.26	\$ 37.50	\$ -	\$ -	\$ 20.34	\$ 276.44
FORECAST TOTAL INCOME			\$ -		\$ 8,371,014.00			\$ 68,420.00		\$ -			
FORECAST YEAR TO DATE INCOME			\$ -		\$ 7,083,165.69			\$ 57,893.85		\$ -			
PERCENT COLLECTED YEAR TO DATE			0.0%		68.4%			75.5%		NA			



# North City West

## School Facilities

### Financing Authority

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**ITEM 6E**

**EXPENDITURES TO DATE, Funds 76, 77, 78, 79, 80, 81, 82, 83, & 84**

Current Fiscal Year 2013-14  
 As of April 30, 2014

DATE	VENDOR	PURPOSE	WARRANT / SOURCE	EXPENDITURES					
				(21-10)	(21-10)	(21-00)	(35-00)		
				FUND 78	REFUNDS	F. FUND AGR 54908/54909 Funds 83 & 84	FUND 79 54907 ADMIN	CFD BONDS	TOTAL EXPEND.
07/11/13	AT&T	Phone Service June 11 thru July 10	12-204026				\$ 23.83		\$ 23.83
07/11/13	US Bank	Administrative Fees 6/1/13-5/31/14 (2012A)	12-204028				\$ 2,200.00		\$ 2,200.00
07/12/13	Del Mar USD	Demography Study	12-204548				\$ 6,783.69		\$ 6,783.69
07/17/13	US Bank	Administrative Fees 6/1/13-5/31/14 (2006C)	12-205615				\$ 1,600.00		\$ 1,600.00
07/30/13	AT&T	Phone Service July 11 thru Aug 10	12-209320				\$ 23.83		\$ 23.83
08/16/13	US Bank	Debt Service - Special Tax Revenue Bonds 2005B & 2006C	12-214406	\$ 4,371,373.54					\$ 4,371,373.54
08/16/13	US Bank	Debt Service - Special Tax Revenue Bonds 2012A	12-214406	\$ 225,071.92					\$ 225,071.92
08/23/13	AT&T	Phone Service Aug 11 thru Sept 10	12-216895				\$ 23.83		\$ 23.83
10/07/13	AT&T	Phone Service Sept 11 thru Oct 10	12-232010				\$ 28.59		\$ 28.59
10/25/13	AT&T	Phone Service Oct 11 thru Nov 10	12-241029				\$ 27.35		\$ 27.35
10/29/13	Solana Beach School Dist	CASH 2013 Fall Conference Expenses	12-241879				\$ 737.74		\$ 737.74
11/08/13	Bondlogistix	Interim Arbitrage Rebate Report - Series 2002	12-246540				\$ 1,500.00		\$ 1,500.00
11/25/13	AT&T	Phone Service Nov 11 to Dec 10	12-253150				\$ 27.35		\$ 27.35
11/25/13	US Bank	Administrative Fees 9/1/13-8/31/14 (2002)	12-253151				\$ 2,500.00		\$ 2,500.00
12/19/13	Best Best & Krieger LLP	General Counsel Services through Oct 31	12-262664				\$ 874.00		\$ 874.00
12/19/13	Best Best & Krieger LLP	General Counsel Services through Nov 30	12-262664				\$ 1,980.16		\$ 1,980.16
12/19/13	Bondlogistix	Interim Arbitrage Rebate Report - Series 2005A & B, 2006C	12-262665				\$ 1,500.00		\$ 1,500.00
01/01/14	SELF Liability Insurance	Liability Insurance - JE Posted in Oct 2013	AT A001106				\$ 3,750.00		\$ 3,750.00
01/10/14	AT&T	Phone Service Dec 11 thru Jan 10	12-266253				\$ 27.35		\$ 27.35
01/22/14	Best Best & Krieger LLP	General Counsel Services through Dec 31	12-270483				\$ 1,412.72		\$ 1,412.72
01/29/14	AT&T	Phone Service Jan 11 thru Feb 10	12-273247				\$ 27.35		\$ 27.35
01/29/14	US Bank	Debt Service - Special Tax Revenue Bonds 2005B & 2006C	12-273246	\$ 978,787.71					\$ 978,787.71
01/29/14	US Bank	Debt Service - Special Tax Revenue Bonds 2012A	12-273246	\$ 586,910.33					\$ 586,910.33
02/14/14	Kamran Azimzadeh	Refund for overpayment of CFD 1 (FY 2009/10 thru 2012/13)	12-279643		\$ 452.00				\$ 452.00

# North City West

## School Facilities

### Financing Authority

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DATE	VENDOR	PURPOSE	WARRANT / SOURCE	EXPENDITURES						
				(21-10)	(21-10)	(21-00)	(35-00)	CFD	TOTAL	
				FUND 78	REFUNDS	F. FUND AGR 54908/54909 Funds 83 & 84	FUND 79 ADMIN	BONDS	EXPEND.	
02/26/14	AT&T	Phone Service Feb 11 thru Mar 10	12-283494				\$ 27.27		\$ 27.27	
02/26/14	Wilkinson Hadley King & Co. LLP	2013 Annual Audit	12-283495				\$ 4,000.00		\$ 4,000.00	
02/26/14	Wilkinson Hadley King & Co. LLP	2012/13 Annual Audit	12-283495				\$ 1,500.00		\$ 1,500.00	
03/13/14	Alex Zhang_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-289383		\$ 452.00				\$ 452.00	
03/13/14	James Graham_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-289384		\$ 452.00				\$ 452.00	
03/13/14	Joseph Moscato_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-289385		\$ 452.00				\$ 452.00	
03/14/14	Preston Family AB Living Trust_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-290358		\$ 452.00				\$ 452.00	
03/14/14	Roy & Rosemarie Doppelt_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-290359		\$ 452.00				\$ 452.00	
03/14/14	Thomas F. Kapel_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-290360		\$ 452.00				\$ 452.00	
03/19/14	Best Best Krieger	General counsel Services	12-291589				\$ 140.73		\$ 140.73	
03/24/14	Laetitia Santore and Porfirio J Lande	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-293356		\$ 452.00				\$ 452.00	
03/24/14	Nahid b Cassim Living Trust_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-293357		\$ 565.00				\$ 565.00	
03/24/14	Xiaojun Zhang & Jing Dai_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-293358		\$ 339.00				\$ 339.00	
03/28/14	Ian Barrow_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-296124		\$ 904.00				\$ 904.00	
03/28/14	John & Roxanne Philp_PO Refund	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-296125		\$ 452.00				\$ 452.00	
03/28/14	AT&T	Phone Service Mar 11 Thru Apr 10	12-296126				\$ 30.97		\$ 30.97	
04/07/14	Marcella Labonte	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-297904		\$ 452.00				\$ 452.00	
04/07/14	Straus Brandon B & Stacy R	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-297905		\$ 226.00				\$ 226.00	
04/09/14	Solana Beach School District	CASH Annual Conference Feb 2014	12-299561				\$ 1,394.00		\$ 1,394.00	
04/16/14	Bui Christine Yench	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-301821		\$ 452.00				\$ 452.00	
04/16/14	Maughan Marisa M	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-301822		\$ 452.00				\$ 452.00	
04/16/14	Best Best & Krieger LLP	General counsel Services Through March 31, 2014	12-301823				\$ 70.70		\$ 70.70	
04/28/14	Hill Steven J	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-306167		\$ 339.00				\$ 339.00	
04/28/14	Love, Robert W & Kathleen M	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-306168		\$ 452.00				\$ 452.00	
04/28/14	Willdan Financial Services	Professional Services from July 2013 thru June 2014	12-306169				\$ 51,000.00		\$ 51,000.00	
04/29/14	Lafauci, Richard	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-306594		\$ 452.00				\$ 452.00	
04/29/14	Mackey Timothy K & Knda	Refund for overpaymnet of CFD 1 (FY 2009/10 thru 2012/13)	12-306595		\$ 452.00				\$ 452.00	
04/30/14	AT&T	Phone Service Apr 11 Thru May 10	12-309146				\$ 40.13		\$ 40.13	
<b>Total Expenditures To Date:</b>					<b>\$ 6,162,143.50</b>	<b>\$ 9,153.00</b>	<b>\$ -</b>	<b>\$ 83,251.59</b>	<b>\$ -</b>	<b>\$ 6,198,766.26</b>



# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

**ITEM 8A-1**

**REVIEW AND Approve NCW JPA ADMINISTRATIVE BUDGET FOR Fiscal Year 2014/15.**

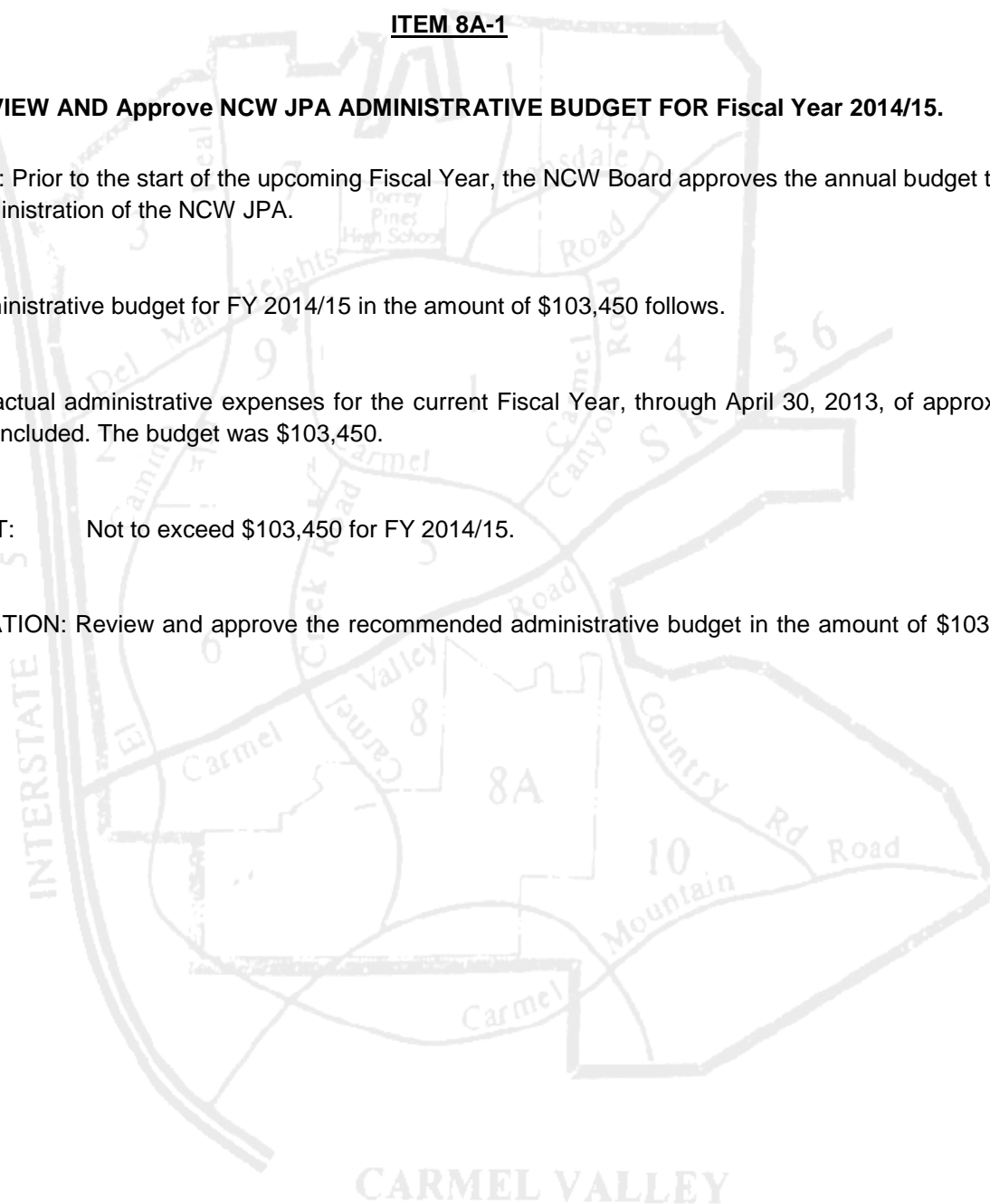
**BACKGROUND:** Prior to the start of the upcoming Fiscal Year, the NCW Board approves the annual budget to operate the administration of the NCW JPA.

A proposed administrative budget for FY 2014/15 in the amount of \$103,450 follows.

The outlook of actual administrative expenses for the current Fiscal Year, through April 30, 2013, of approximately \$83,252 is also included. The budget was \$103,450.

**FISCAL IMPACT:** Not to exceed \$103,450 for FY 2014/15.

**RECOMMENDATION:** Review and approve the recommended administrative budget in the amount of \$103,450 for FY 2014/15.





# North City West

## School Facilities

### Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

**ITEM 8A-2**

**NCW/JPA ADMINISTRATIVE EXPENSE BUDGET**

*FY 2013/14 OUTLOOK AND FY 2014/15 PROPOSED BUDGET*

ACCOUNT DESCRIPTION	YR TO DATE EXPENSES	FY 13/14		FY 14/15
		APPROVED BUDGET	Ove r/(Under) BUDGET	APPROVED BUDGET
Supplies	\$ -	\$ 100	\$ (100)	\$ 100
Travel/Conference	2,132	3,000	(868)	3,000
Dues & Subscriptions	-	500	(500)	250
Telephone	308	750	(442)	500
Rent	-	-	-	-
Repairs/maintenance	-	-	-	-
Insurance	3,750	2,000	1,750	4,000
Equipment/Furniture	-	-	-	-
Contingency	-	1,000	(1,000)	1,000
Audit, annual	5,500	4,900	600	5,500
Arbitrage Calculation	3,000	5,000	(2,000)	5,000
Office of Education	-	8,100	(8,100)	8,100
Bond Trustee	6,300	10,000	(3,700)	10,000
County Counsel	-	-	-	-
Outside Legal services	4,478	7,000	(2,522)	7,000
Executive Director*	51,000	52,000	(1,000)	52,000
Outside Consultants	6,784	7,000	(216)	7,000
<b>TOTAL EXPENSES</b>	<b>\$ 83,252</b>	<b>\$ 101,350</b>	<b>\$ (18,098)</b>	<b>\$ 103,450</b>

Reflects Actual Expenses incurred thru April 30, 2014

\*Executive Director Amount is inclusive of expenses, supplies and other services.

# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

**ITEM 8B**

**SUBJECT: Election of NCW JPA Board officers for Fiscal Year 2014/15.**

BACKGROUND: The Joint Powers Agreement of April 15, 1983, section 2D, requires that the Board shall elect a Chairperson, Vice-chairperson, and Secretary to hold office for a period of one year commencing July 1 of each Fiscal Year. The Chairperson and Vice-chairperson must be Directors appointed by each member District. The Secretary may, but need not be, a Director.

At our June meeting, these three Board officers are nominated and elected to serve for the upcoming fiscal year, commencing July 1.

**MOTIONS:**

1. Move by \_\_\_\_\_, second by \_\_\_\_\_ to elect \_\_\_\_\_ as Chairperson of the NCW JPA/CFD for fiscal year 2014/15.
2. Move by \_\_\_\_\_, second by \_\_\_\_\_ to elect \_\_\_\_\_ as Vice-chairperson of the NCW JPA/CFD for fiscal year 2014/15.
3. Move by \_\_\_\_\_, second by \_\_\_\_\_ to elect \_\_\_\_\_ as Secretary of the NCW JPA/CFD for fiscal year 2014/15.



CARMEL VALLEY

# North City West School Facilities Financing Authority

## Directors:

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

### ITEM 8C-1

**SUBJECT: Establish dates and time for regular NCW JPA Board meetings for Fiscal Year 2014/15.**

**BACKGROUND:** Usually each June, the NCW JPA Board sets the dates and times of regular meetings for the upcoming fiscal year. The NCW Joint Powers Agreement requires the Board hold at least one regular meeting in each 3 month (quarterly) period of each year. Usually, Board meetings are set for the 2<sup>nd</sup> Thursday of the month.

**RECOMMENDATION:** Approve the regular NCW JPA Board meeting calendar for Fiscal Year 2014/15 regular meetings, to be consistent with Directors' schedules.

#### **PROPOSED: BOARD MEETING DATES**

**Time:** 2:30 p.m., unless otherwise noted

**Location:** Solana Beach School District conference room, unless otherwise noted  
309 North Rios Avenue, Solana Beach, CA 92075

**Public speaking:** Persons wishing to address the Board on any agenda item except personnel issues are invited to do so. Please submit a request to speak card (available at the Board meeting) to the Chairperson before the meeting. In the interest of time and order, presentations are limited to 3 minutes per person, 15 minutes per topic.

#### Regular meeting dates (for Fiscal Year 2014/15)

Thursday, **September 11, 2014**

Thursday, **December 11, 2014**

Thursday, **March 12, 2014**

Thursday, **June 11, 2014**

Note: Considerations before setting calendar:

- Area Superintendents meeting (monthly on 3<sup>rd</sup> Thursday)
- C.A.S.H. conferences & meetings
- June graduation date
- Spring & Winter recess
- District Trustee meetings

# North City West

## School Facilities

### Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

#### ITEM 8C-2

#### NCW JPA Board Meetings for Fiscal Year 2014/15

Jul-14							Aug-14							Sep-14								
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa		
			1	2	3	4	5						1	2			1	2	3	4	5	6
6	7	8	9	10	11	12	3	4	5	6	7	8	9	7	8	9	10	11	12	13		
13	14	15	16	17	18	19	10	11	12	13	14	15	16	14	15	16	17	18	19	20		
20	21	22	23	24	25	26	17	18	19	20	21	22	23	21	22	23	24	25	26	27		
27	28	29	30	31	24	25	26	27	28	29	30	28	29	30								
							31															
Oct-14							Nov-14							Dec-14								
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa		
				1	2	3	4	1									1	2	3	4	5	6
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13		
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20		
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27		
26	27	28	29	30	31	23	24	25	26	27	28	29	28	29	30	31						
							30															
Jan-15							Feb-15							Mar-15								
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa		
					1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7	
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14		
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21		
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28		
25	26	27	28	29	30	31								29	30	31						
Apr-15							May-15							Jun-15								
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa		
				1	2	3	4						1	2			1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13		
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20		
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27		
26	27	28	29	30	24	25	26	27	28	29	30	28	29	30								
							31															

# North City West

## School Facilities

### Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

**ITEM 8D-1**

**SUBJECT:** Approve Annual Resolution No. 14-01 to levy the **CFD No. 1 Special Taxes** in the amount of **\$8,305,218** for fiscal year 2014/15.

**BACKGROUND:** Annually, the JPA/CFD Board must authorize the levy of the annual Special Taxes on the developed residential parcels within North City West (Carmel Valley) CFD No. 1. These Special Taxes generate the revenue necessary to pay the annual debt service on the 2002, 2005B, 2006C and 2012A Bonds, school expenses and administrative costs.

A history of CFD No. 1 Special Taxes levied since inception in 1989 is on the following page.

**FISCAL IMPACT:** Anticipated Fiscal Year 2014/15 revenue of \$8,305,218 (assumes 100% collections).

**RECOMMENDATION:** Approve the Fiscal Year 2014/15 CFD No. 1 Special Tax Levy. Moved by \_\_\_\_\_, second by \_\_\_\_\_ to levy the Special Tax for Community Facilities District No. 1 according to Exhibit A, Part I of Tax Ordinance No. 7 as detailed in Attachment 1\*

**2014/15 Fiscal Year = 8,246 Parcels \$8,305,218 Special Tax**

The Special Tax Rate utilized in preparing Attachment 1\* above is as follows and is hereby adopted.

Housing Size (habitable square feet)	Annual Special Tax (dollars)
2500 and above	\$1,244.00
2250 to 2499	\$1,131.00
2000 to 2249	\$1,018.00
1750 to 1999	\$905.00
1500 to 1749	\$791.00
1250 to 1499	\$678.00
1000 to 1249	\$565.00
0 to 999	\$452.00



\* The attachment is available for inspection at the JPA/CFD office and will be filed as part of the minutes of this meeting.

# North City West

## School Facilities

### Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

**ITEM 8D-2**

		<b>No. of Parcels (APN's)</b>	<b>Annual Special Tax Levy</b>
	<u>Fiscal Year</u>	<u>Cumulative</u>	<u>Cumulative</u>
	89-90	1,012	\$1,136,938
	90-91	1,290	\$1,663,671
	91-92	1,684	\$1,775,055
	92-93	1,865	\$1,974,788
	93-94	2,132	\$2,144,943
	94-95	2,645	\$2,640,931
	95-96	3,034	\$3,035,122
	96-97	3,393	\$3,242,976
	97-98	3,905	\$3,912,884
	98-99	4,621	\$4,710,803
	99-00	5,094	\$5,167,306
	00-01	5,680	\$6,455,967
	01-02	6,077	\$6,929,733
	02-03	6,303	\$7,118,268
	03-04	6,401	\$7,233,627
	04-05	6,583	\$7,319,319
	05-06	6,834	\$7,506,384
	06-07	7,581	\$7,698,530
	07-08	7,826	\$7,836,282
	08-09	7,909	\$7,937,389
	09-10	7,981	\$8,019,158
	10-11	8,054	\$8,154,052
	11-12	8,209	\$8,301,486
	12-13	8,246	\$8,305,218
	13-14	8,246	\$8,305,218
<b>Current Fiscal Year</b>	<b>14-15</b>	<b>8,246</b>	<b>\$8,305,218</b>



CARMEL VALLEY



# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

**ITEM 8E-1**

**SUBJECT:** Approve Annual Resolution No. 14-02 to levy the **CFD No. 2 Special Taxes** in the amount of **\$64,688** for fiscal year 2014/15.

**BACKGROUND:** Annually, the JPA/CFD Board must authorize the levy of the annual Special Taxes on the developed residential parcels in the North City West (Carmel Valley) CFD No. 2.

We send a database containing each parcel number and the appropriate Special Tax amount to the County Controller each year. The Special Tax is included in the annual County property tax bill.

**FISCAL IMPACT:** Anticipated Fiscal Year 2014/15 revenue of \$64,688.00.  
 (assumes 100% collections).

**RECOMMENDATION:** Approve the Fiscal Year 2014/15 CFD No. 2 Special Tax Levy.

Moved by \_\_\_\_\_, second by \_\_\_\_\_ to levy the Special Tax for Community Facilities District No. 2 according to Exhibit B., Part I of Resolution 97-4 dated October 21, 1997, as detailed in attachment No. 2\*.

**2014/15 Fiscal Year = 52 Parcels \$64,688.00**

The Special Tax Rate utilized in preparing Attachment 2\* above is as follows and is hereby adopted.

Housing Size (habitable square feet)	Annual Special Tax (dollars)
2500 and above	\$1,244.00
2250 to 2499	\$1,131.00
2000 to 2249	\$1,018.00
1750 to 1999	\$905.00
1500 to 1749	\$791.00
1250 to 1499	\$678.00
1000 to 1249	\$565.00
0 to 999	\$452.00



\* The attachment is available for inspection at the JPA/CFD office and will be filed as part of the minutes of this meeting.



# North City West

## School Facilities

### Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

**ITEM 8E-2**

	Fiscal	No. of Parcels (APN's)	Annual Special Tax Levy
	Year	Cumulative	Cumulative
	99-00	18	\$22,392
	00-01	18	\$22,392
	01-02	18	\$22,392
	02-03	18	\$22,392
	03-04	18	\$22,392
	04-05	52	\$64,688
	05-06	52	\$64,688
	06-07	52	\$64,688
	07-08	52	\$64,688
	08-09	52	\$64,688
	09-10	52	\$64,688
	10-11	52	\$64,688
	11-12	52	\$64,688
	12-13	52	\$64,688
	13-14	52	\$64,688
<b>Current Fiscal Year</b>	<b>14-15</b>	<b>52</b>	<b>\$64,688</b>



CARMEL VALLEY

# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

**ITEM 8F**

**SUBJECT: Approve Resolution 14-03 appoint representatives and alternates to the San Diego County Schools Risk Management JPA**

BACKGROUND: The North City West JPA carries liability and errors and omissions insurance through the San Diego County Schools Risk Management JPA.

We need to appoint representatives immediately to insure representation at the semiannual and other risk management meetings where member voting is required. It is recommended that alternates be added to insure the Risk Management JPA has a quorum at each meeting.

Mr. Mark Risco and Ms. Gladys Medina of Willdan Financial will be the regular representatives. \_\_\_\_\_ of \_\_\_\_\_ School District and \_\_\_\_\_ of \_\_\_\_\_ School District will serve as alternate representatives should Mr. Risco or Ms. Medina be unavailable to attend a meeting. The following Resolution 14-03 will authorize their participation.

FISCAL IMPACT: None.

RECOMMENDATION: Review and approve Resolution 14-03



CARMEL VALLEY

# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

**ITEM 8G**

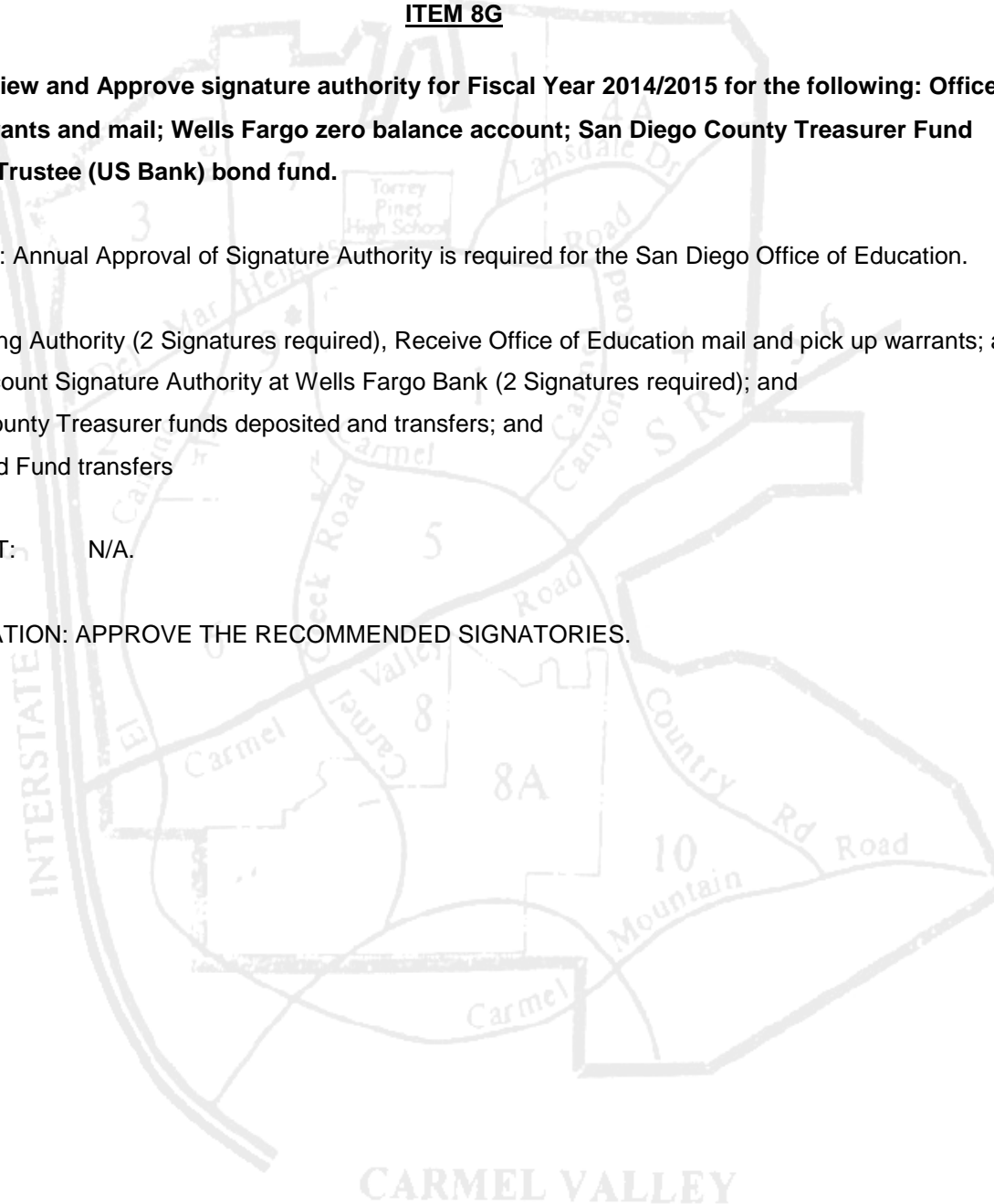
**SUBJECT: Review and Approve signature authority for Fiscal Year 2014/2015 for the following: Office of Education warrants and mail; Wells Fargo zero balance account; San Diego County Treasurer Fund transfers; and Trustee (US Bank) bond fund.**

BACKGROUND: Annual Approval of Signature Authority is required for the San Diego Office of Education.

1. Warrant signing Authority (2 Signatures required), Receive Office of Education mail and pick up warrants; and
2. Checking Account Signature Authority at Wells Fargo Bank (2 Signatures required); and
3. San Diego County Treasurer funds deposited and transfers; and
4. US Bank bond Fund transfers

FISCAL IMPACT: N/A.

RECOMMENDATION: APPROVE THE RECOMMENDED SIGNATORIES.





**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

ATTORNEY-CLIENT  
PRIVILEGED COMMUNICATION

**Memorandum**

**To:** Board of Directors, North City West School Facilities Financing Authority  
**From:** Kelly J. Salt  
**Date:** May 12, 2014  
**Re:** Change Proceedings for Funding Rehabilitation of Existing School Facilities, Levying a New Special Tax or Taxes, and Authorizing Additional Bonded Indebtedness

**INTRODUCTION**

On November 17, 1981, the City of San Diego (the "City") adopted the North City West School Facilities Master Plan (the "Master Plan"). The Master Plan provides a master plan for school facilities within the City's North City West community planning area, known as Carmel Valley. The Del Mar Union School District, the San Dieguito Union High School District, and the Solana Beach School District (collectively, the "Districts") are the school districts responsible for providing school facilities within this area. To implement certain provisions of the Master Plan and facilitate the acquisition, construction, and installation of school facilities for the area, in 1983 the Districts formed the North City West School Facilities Financing Authority (the "Authority").

In accordance with the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 *et seq.*) (the "Act"),<sup>1</sup> on August 8, 1988, the Authority formed Community Facilities District No. 1 of the North City West School Facilities Financing Authority ("CFD No. 1") for the purpose of facilitating the financing of certain of such school facilities, authorized the levy of a special tax within CFD No. 1 and determined it was necessary for CFD No. 1 to incur bonded indebtedness to finance the school facilities. On November 12, 1997, the Authority formed Community Facilities District No. 2 of the North City West School Facilities Financing Authority ("CFD No. 2") for the purpose of facilitating the financing of certain of other school facilities, authorized the levy of a special tax within CFD No. 1 and determined it was necessary for CFD No. 1 to incur bonded indebtedness to finance the school facilities. The Districts are currently interested in authorizing a new special tax or taxes, or authorizing the use of revenues from the existing special tax or taxes, to fund the rehabilitation of the existing school facilities through CFD No. 1 and/or CFD No. 2. The District may also be

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<sup>1</sup> The Act authorizes local agencies to form community facilities districts for the purpose of financing certain public capital facilities and services. Cal. Gov't Code §§ 53311.5, 53312.5 "Local agency" is defined in the Act to include a joint powers entity, such as the Authority, formed pursuant to California Government Code section 6500 *et seq.* *Id.* at § 53317(h).



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

interested in issuing additional bonds to finance the rehabilitation. This memorandum describes the procedural requirements for accomplishing this.

QUESTIONS PRESENTED

1. May the Authority authorize: (i) a new special tax or taxes to fund the rehabilitation of existing school facilities through CFD No. 1 and/or CFD No. 2; and (ii) the issuance of additional bonds to finance the rehabilitation of existing school facilities?
2. May the Authority use revenues from an existing special tax or taxes to fund the rehabilitation of existing school facilities through CFD No. 1 and/or CFD No. 2?

SHORT ANSWER

1. Yes, provided it conducts an election for this purpose. The Authority may authorize a new special tax or taxes to fund the rehabilitation of existing school facilities through CFD No. 1 and/or CFD No. 2 and the issuance of additional bonds to finance the rehabilitation. Prior to doing so, however, the Authority will be required to determine the specific facilities to be rehabilitated and financed through CFD No. 1 and/or CFD No. 2 and hold an election or elections for the approval of a new special tax or taxes to be imposed on properties located within the community facilities district or districts and the issuance of bonds to finance the rehabilitation of the existing school facilities. These procedures are generally referred to as “change proceedings.”
2. Yes, provided it conducts an election for this purpose. The special taxes authorized within CFD No.1 and CFD No. 2 may only be used for the purposes for which they were approved and adopted. Consequently, because the special taxes were not authorized to fund the rehabilitation of existing school facilities, revenues from the special taxes may not be used for this purpose. If the Authority wishes to use revenues from an existing special tax or taxes to fund the rehabilitation of existing school facilities, it will have to undertake change proceedings to authorize changes in the facilities to be funded by an existing special tax or taxes.

ANALYSIS

Pursuant to the Act, a community facilities district may fund “the purchase, construction, expansion, improvement, or *rehabilitation* of any real or other tangible property with an estimated useful life of five years or longer or may finance planning and design work that is directly related to the purchase, construction, expansion, or *rehabilitation* of any real or tangible property,” including elementary and secondary school facilities. Cal. Gov’t Code § 53313.5 (emphasis added). After a community facilities district is formed, if the legislative body of the district determines that the public convenience and necessity require any change in the *types of authorized public facilities* that should be financed by the district, or that a *new special tax or taxes* should be proposed, it may adopt a resolution of consideration to alter the types of

**BB&K**  
**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

facilities to be financed by the district and to levy a new special tax or taxes.<sup>2</sup> *Id.* at § 53330.7. The resolution of consideration must contain the following:

- (a) State the name of the area.
- (b) Generally describe the territory included in the area.
- (c) Specify the *changes in public facilities* and services which it is proposed that the district finance.
- (d) Specify *any new special taxes* which would be levied to pay for new or existing facilities and services and any proposed alteration to the rate or method of apportionment of an existing special tax.
- (e) Fix a time and place for a hearing upon the resolution which shall not be less than 30 or more than 60 days after the adoption of the resolution of consideration.

*Id.* at § 53334. At the public hearing, the legislative body will consider the adoption of a resolution of intention.

Similarly, whenever the legislative body of a community facilities district deems it necessary for the community facilities district to incur a bonded indebtedness, it shall adopt a resolution “declaring the necessity” to incur bonded indebtedness. This resolution may be adopted at the same meeting at which the legislative body adopts the resolution of consideration discussed above. The resolution declaring the necessity to incur bonded indebtedness must include all of the following:

- (a) A declaration of the necessity for the indebtedness.
- (b) The purpose for which the proposed debt is to be incurred.
- (c) The amount of the proposed debt. The legislative body may provide for a reduction in the amount of proposed debt in compliance with the provisions of Section 53313.9.
- (d) The time and place for a hearing by the legislative body on the proposed debt authorization.

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<sup>2</sup> By necessity, if a new special tax or taxes are proposed to fund the rehabilitation of facilities, a special tax consultant will need to prepare a rate and method of apportionment of the special taxes to be levied. The rate and method describes the formula for determining the annual special tax levy an individual property receives. The actual amount of annual special tax levied against any one property is determined by the apportionment methodology in the rate and method of apportionment and cannot exceed the maximum special tax. Such a special tax is not a special assessment, so there is no requirement that the tax be apportioned on the basis of property benefit. *Id.* at § 53325.3.

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*Id.* at § 53345. The required hearing may be combined with the hearing for the resolution of intention for the proposed changes to the facilities and/or special taxes.

Prior to holding the public hearing, the clerk of the legislative body of the community facility district must publish notice of the public hearing on the resolution of intention to institute the proposed changes and the proposed debt authorization. The notice must be published in accordance with Government Code section 6061—i.e., once, in a newspaper of general circulation in the existing community facilities district, at least seven days before the public hearing. The notice must contain the text or summary of resolution of intention for the proposed changes; the text or a summary of the resolution “determining the necessity” to incur bonded indebtedness; the time and place of the public hearing; a statement that at the hearing the testimony of all interested persons or taxpayers for or against the proposed changes in public facilities, the levying of additional special taxes, and the proposed debt will be heard; and describe the effect of protests made by registered voters or landowners against the proposed changes, and the proposed voting procedures. *Id.* at § 53335.

Oral or written protests may be made at the public hearing by any interested persons or taxpayers against the proposed changes in public facilities, the levying of additional special taxes, and the proposed debt. *Id.* at § 53336. If 50 percent of the registered voters residing in, or the owners of one-half or more of the area of land in the territory included in the existing community facilities district, and not exempt from the special tax, file written protests against changing the public facilities, those changes in the facilities shall be eliminated from the resolution of intention and the changes may not be included in the resolution for change proceedings for a period of one year. Similarly, if the protest is against levying the additional special taxes, then that taxes must be eliminated from the resolution of intention and the changes may not be included in a resolution for change proceedings for a period of one year. *Id.* at § 53337.

At the public hearing, the resolution of intention may be modified to eliminate the facilities or the additional special taxes. The hearing may be continued from time to time, but shall be completed within 30 days, except that if the legislative body finds that the complexity of the proposed changes or the need for public participation requires additional time, the hearing may be continued from time to time for a period not to exceed 6 months. *Id.* at § 53338. At the conclusion of the hearing the legislative body may abandon the proceedings or may, after passing upon all protests, submit the question of levying a new special tax or changing the types of facilities to be financed by the community facilities district, or any combination, to the qualified electors of the district. *Id.*

At the public hearing, the legislative body will adopt a resolution determining the necessity to incur bonded indebtedness. The resolution must include the following:

- (a) That it deems it necessary to incur the bonded indebtedness.







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(b) The purpose for which the bonded indebtedness will be incurred.

(c) Either of the following in accordance with its previous determination:

(1) That the whole of the district will pay for the bonded indebtedness.

(2) That a portion of the district will pay for the bonded indebtedness, which portion shall be described in the resolution of the board made pursuant to Section 53350.

(d) The amount of debt to be incurred.

(e) The maximum term the bonds to be issued shall run before maturity, which term shall not exceed 40 years.

(f) The maximum annual rate of interest to be paid, payable annually or semiannually, or in part annually and in part semiannually.

(g) That the proposition will be submitted to the voters.

(h) The date of the special community facilities district election (which may be consolidated with a general or special district election including an election to levy a special tax) at which time the proposition shall be submitted to the voters.

(i) If the election is not conducted by mail ballot, the hours between which the polls shall be open.

(j) If the election is conducted by mail ballot, the hour when the mailed ballots are required to be received in the office of the election officer conducting the election, and that if all qualified electors have voted, the election shall be closed.

*Id.* at §53351. This resolution constitutes the notice of the special bond election and must be published in a newspaper of general circulation within the area. *Id.* at § 53352.

The next step in the process is an election to authorize the proposed changes and the bonded indebtedness. The ballot propositions may be combined into one ballot. *Id.* at §53353.5(a) The required election procedure varies depending upon the number of qualified electors residing within the boundaries of the community facilities district. When, as is the case



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in CFD No. 1 and CFD No. 2, there are 12 or more registered voters who have been registered to vote for each of the 90 days preceding the close of the protest hearing, the election is held among the registered voters residing within the community facilities district. Approval requires a two-thirds affirmative vote. *Id.* at § 53326(b). The election must be held at least 90 days, but not more than 180 days, following the adoption of the resolution of intention. If the election is to be held less than 125 days following the adoption of the resolution of intention, the concurrence of the election official is required. However, any time limit may be waived with the concurrence of the unanimous consent of the qualified electors of the community facilities district and the concurrence of the election official. *Id.* at § 53326(a).

Upon a determination that the requisite two-thirds votes cast in the election are in favor of the proposed changes, the legislative body adopts a resolution of change determining that the proposed levy of new special taxes or of changes in the types of facilities to be financed by the community facilities district, or any combination, are lawfully authorized. *Id.* at § 53338(b). The legislative bond may also adopt a resolution authorizing the bonded indebtedness. After adopting the resolution of change, the clerk of the community facilities district must record a notice of special tax lien in the office of the San Diego County Recorder, whereupon the lien of the special tax will attach. *Id.* at § 53338(c); Cal. Sts. & Hwys. Code § 3117.5.

**CONCLUSION**

The Authority may authorize: (i) a new special tax or taxes to fund the rehabilitation of existing school facilities through CFD No. 1 and/or CFD No. 2; or (ii) the use of revenues from an existing special tax or taxes to fund the rehabilitation of existing school facilities; and (iii) may authorize the issuance of additional bonds to finance the rehabilitation. Prior to doing so, however, the Authority will be required to follow the change proceedings described above.

cc: Gladys Medina