

Meeting Date: 6/24/2014

Report Type: Consent

Report ID: 2014-00470

Title: Development Fee Financing Communities Facilities District No. 95-01 - Declare Surplus of Series B Refunding Special Tax funds and Order Dispositions

Location: Districts 1, 2, 5, and 6

Recommendation: Pass 1) a Resolution declaring remaining district funds and accounts as surplus in the amount of \$66,752, ordering the disposition of surplus funds to property owners, and all related financial transactions.

Contact: Damien Charléty, Debt Analyst, (916) 808-5517; Janelle Gray, Debt Manager, (916) 808-8296, Office of the Treasurer

Presenter: None

Department: City Treasurer

Division: City Treasurer

Dept ID: 05001011

Attachments:

1-Description/Analysis

2-Resolution Declaring Surplus

3-Parcel Details

City Attorney Review

Approved as to Form

Michael W. Voss

6/16/2014 9:17:17 AM

Approvals/Acknowledgements

Department Director or Designee: Russell Fehr - 6/10/2014 3:45:53 PM

Description/Analysis

Issue Detail: The City of Sacramento Development Fee Financing Communities Facilities District No. 95-01 (the "CFD") was created in 1994. Bonds were issued in 1995 (Series A), 1998 (Series B), and 2005 (Series C and Refunding Series B).

A review of the CFD showed a remaining fund balance that was determined to be a surplus. As of May 1, 2014, the amount identified as surplus was \$66,752.28.

This report recommends the disposition of the surplus to the owners of affected properties within the district covered by the refunding of the 1998 Series B bonds.

Policy Considerations: Adoption of the resolution is consistent with the requirements of The Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.; the "1915 Act"), Sacramento City Code Chapter 3.140, and Article 13D, Section 4 of the State Constitution.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): Under CEQA guidelines, continuing administrative activities do not constitute a "project" as defined in Section 15378 of the CEQA Guidelines and are therefore exempt from review.

Sustainability: None

Commission/Committee Action: None

Rationale for Recommendation: Adoption is necessary to satisfy the requirements of state law.

Financial Considerations: The total surplus funds of \$66,752.28, include an original \$52,750.00 amount and accrued interest of \$14,002.28, as of May 1, 2014.

All other funds generated for the refunding were either put into escrow – and eventually refunded the 1998 bonds, or paid out as cost of issuance, while the surplus funds were held in reserve as restricted funds at the City.

Since the original amount was obtained from bond proceeds, and that future property tax levies on the CFD's property owners affected by the 1998 issuance were used to repay the bonds, these must be returned to those property owners.

There were eight parcels identified in the 1998 bonds documents, through entity name, parcel number, parcel acreage and other items. Using this data, current owners for all

eight parcels can be identified. A detail of all original parcels and parcels as of June 1, 2014, along with a breakdown of the allocation of surplus funds, can be found in Exhibit A.

Local Business Enterprise (LBE): None

RESOLUTION NO.

Adopted by the Sacramento City Council

DECLARING COMMUNITY FACILITY DISTRICT FUND SURPLUS, ORDERING THE DISPOSITION OF SURPLUS AMOUNTS, AND ALL RELATED FINANCIAL TRANSACTIONS

BACKGROUND

- A. On December 6, 1994, The City Council adopted a Development Fee Financing Program (the "Program") by adopting Resolution No. 94-705.
- B. On February 28 1995, the City Council began the formal proceedings to establish its Development Fee Financing Community Facilities District No. 95-01 (the "District") by adopting Resolution No 95-079 and Resolution No. 95-080.
- C. On April 6, 1995, the City Council adopted Resolution No. 95-138 and Resolution No. 95-139 which, together with a property-owner election, led to the ability by the City to levy a special tax against parcels of land within the District and to issue special tax bonds.
- D. On January 7, 1997, the City Council amended the Program amended to include residential development by adopting Resolution No. 97-002.
- E. On May 05, 1998, the City Council adopted Resolution No. 98-164 which together with a property-owner election approved Annexation Area #1.
- F. Annexation Area #1 encompasses eight parcels as shown in Resolution No. 98-103 and summarized in Exhibit A.
- G. On August 19, 1998, the City of Sacramento Development Fee Financing Communities Facilities District No 95-01 Special Tax Bonds, Series B (1998) (the "Bonds") were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("the Act").
- H. On January 5, 2005, the Bonds were refunded through the issuance of the City of Sacramento Development Fee Financing Communities Facilities District No 95-01 Special Tax Bonds, Refunding Series B (2005) (the "Refunding Bonds").
- I. Upon maturing of the Series B bonds, proceeds remained. The total amount of these proceeds, along with accrued interest as of May 1, 2014 is 66,752.28.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:

- Section 1. The City Council finds and determines that the Background statements A through I are true.
- Section 2. The City Council in accordance with Sections 8784 and 10427 of the Streets and Highways Code of California and Article 13D, Section 4 of the State Constitution, declares the balance of restricted cash funds of the Development Fee Financing Community Facilities District No. 95-01 a surplus.
- Section 3. The City Council orders the disposition of the surplus funds according to state law by means of direct refunds to the property owners of record as of June 1, 2014.
- Section 4. The City Treasurer is hereby authorized to work in concert with the City Manager to complete all necessary transactions to distribute refunds totaling the \$66,752.28 in surplus funds to those property owners

Development Fee Financing Community Facilities District 95-01, Series B Data

1998 Data*			2014 Data**		Reimbursement Calculations		
Original District Parcel Number	Parcel Address	Assessor Parcel Number	New Assessor Parcel Number	Owner (as of June 1, 2014)	Total Cost Applicable*	Share of Total	Amount to Reimburse
5	4101 Gateway Park	225-0160-070	225-0160-082 225-0160-068	Sacto Coca Cola Bottling Co	161,199	6.41%	\$ 4,278.49
6	2730 Broadway	010-0242-019	n/a	2730 Broadway LLC	216,056	8.59%	\$ 5,734.49
7	8670 Younger Creek	062-0140-013	n/a	BKG, LLC	1,125,345	44.75%	\$ 29,868.53
8	8760 Younger Creek	062-0150-012	n/a	Heath Investments LLC	114,766	4.56%	\$ 3,046.08
9	2450 Del Paso Road	225-0070-081	n/a	Buzz Oates LLC	455,081	18.09%	\$ 12,078.61
10	4061 Gateway Park	225-0160-069	225-0160-083 225-0160-079	Raley's	349,991	13.92%	\$ 9,289.34
11	180 Harris Avenue	250-0025-062	n/a	Raber Revocable Trust	41,404	1.65%	\$ 1,098.93
12	150 Harris Avenue	250-0025-063	n/a	EBTSAC LLC	51,158	2.03%	\$ 1,357.82
Total					2,515,000	100.00%	\$ 66,752.28

* Source: bond issuance legal documents

** Source: County Parcel Viewer