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SAN DIEGO COUNTY GRAND JURY

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September 21, 2022

RECEIVED
SEP 26 2022

Honorable Michael T. Smyth
Presiding Judge
San Diego County Superior Court
1100 Union Street
San Diego, CA 92101

Re: San Diego County Grand Jury Final Report
June 23, 2022
Community Facilities Districts

Honorable Judge Smyth:

The San Diego County Grand Jury issued its report on Community Facilities Districts on June 23, 2022. Included therein is Recommendation 22-24 which states as follows. "Create procedures for oversight, over and above what the law requires, to include communicating with their constituencies, answering questions, and providing copies of notices or annual reports as requested through direct action or through their websites. Oversight information should include links to foundational documents, CFD administrator information, current tax levy analysis, and a simple description of the district".

The City of Santee is not aware of any instance in which oversight of the activities conducted through our three CFDs or responses to requests for information regarding our CFDs have not been handled timely or appropriately. However, we do acknowledge the potential benefits from enhancing the information that is readily available to interested parties. As such, we have developed a section of the City's web site that includes a brief CFD overview, a link to the City Council adopted Goals and Policies Regarding the Establishment of CFDs, contact information for both the City's contract Special Districts Administrator and the City's Finance Department, summary information regarding each of our CFDs and links to boundary maps, formation documents and current levy information. Printed summary pages from the web site are attached and the full set of documents may be accessed at:

<https://www.cityofsanteeca.gov/government/finance/community-facilities-districts>.

Respectfully,

Marlene D. Best
City Manager

Attachments



Community Facilities Districts

The City of Santee has formed several Community Facilities Districts (CFDs) in accordance with the Mello-Roos Community Facilities Act of 1982, as amended. The CFDs have been formed to finance certain authorized public improvements or to provide certain public services when the City Council has determined that the formation of such CFD will provide a public benefit to the community at large or a benefit to be derived by the properties within the CFD. Property owners within a CFD are assessed a special tax each year for their share of debt service on any bonds that the CFD has issued or to pay for the cost of certain public services provided by the City.

Goals and Policies

On September 12, 2007 the Santee City Council adopted the “City of Santee Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts”. On August 23, 2017 the City Council adopted the “City of Santee Amended and Restated Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts” with Resolution No. 088-2017.

City of Santee Community Facilities Districts

To date three CFDs have been formed by the City of Santee. Please use the links below for additional information regarding each CFD including descriptions of the authorized facilities and services, district boundaries, foundational documents and current tax levy information.

[CFD No. 2015-1 \(Municipal Maintenance Services\)](#)

[CFD No. 2017-1 \(Weston Infrastructure\)](#)

[CFD No. 2017-2 \(Weston Municipal Services\)](#)

Administration of Community Facilities Districts

The administration of each CFD is handled through the City of Santee Finance Department with support from the City’s contract Special Districts Administrator. For additional information regarding any of these CFDs please contact:

Spicer Consulting Group, LLC

Phone: (866) 504-2067

Email: contact@spicercg.com

City of Santee Finance Department
Phone: (619) 258-4100 extension 144
Email: Finance-Dept@CityofSanteeCA.gov

Community Facilities District No. 2015-1 (Municipal Maintenance Services) Tax Zone 1 (El Nopal Estates II)

Community Facilities District No. 2015-1 (Municipal Maintenance Services) was formed on November 18, 2015 in order to initially provide a funding mechanism to meet the ongoing maintenance requirements of storm water quality improvements (bio-retention facility and appurtenances) in the El Nopal Estates II subdivision (Tax Zone 1) which now consists of 10 residential units.

At the time of formation, it was identified that additional properties with similar storm water or other authorized maintenance service needs may be annexed into CFD No. 2015-1 in future years. Such annexation would be effective only upon the unanimous approval and election of the owner or owners of any such parcel subject to the levy of the special tax. The authorized maintenance service needs which may be funded with proceeds of the special tax of CFD No. 2015-1 include all costs attributable to maintaining, servicing, cleaning, repairing and/or replacing areas in public street rights-of-way, public landscaping, public open spaces and other similar areas officially dedicated for public use. To date no such annexations into CFD No. 2015-1 have occurred.

The maximum annual special tax rate shall increase by the percentage increase in the San Diego Consumer Price Index or by two percent (2.0%), whichever is greater. The annual special tax may be levied indefinitely.

Additional Information:

[Boundary Map](#)

Formation Documents:

[November 18, 2015 City Council Agenda Statement](#)

[CFD Report](#)

[Resolution of Formation](#)

[Resolution Declaring Results of Election](#)

[Ordinance No. 537 Authorizing the Levy of Special Tax](#)

[November 18, 2015 City Council Agenda Statement \(Future Annexations\)](#)

[Resolution Authorizing Future Annexations](#)

Current Levy Information:

[July 27, 2022 City Council Agenda Statement](#)

[Resolution Levying FY 2022-23 Special Taxes \(with levy amount by parcel\)](#)

[FY 2022-23 Budget](#)



Community Facilities District No. 2017-1 (Weston Infrastructure)

Community Facilities District No. 2017-1 (Weston Infrastructure) was formed on September 27, 2017 in order to assist in the financing of various public improvements in connection with the Weston development which now consists of 415 residential units.

On June 20, 2019, Special Tax Bonds in the amount of \$8,665,000 were issued. The bonds were used to fund public infrastructure within the District, a reserve fund, capitalized interest, initial administrative expenses and costs of issuance. The public infrastructure improvements funded with the bonds include street and traffic signal improvements, street lights, a bridge, a 4.5 acre neighborhood park (Weston Park), trails, fencing and dry utilities.

The maximum annual special tax rate varies by parcel based on building square footage and does not escalate. The annual special tax shall be levied for each year that any bonds are outstanding but shall not be levied after the 2058-59 fiscal year. The final bond debt service payment is scheduled to be made on September 1, 2049.

Additional Information:

[Boundary Map](#)

Formation Documents:

[September 27, 2017 City Council Agenda Statement](#)

[CFD Report](#)

[Resolution of Formation](#)

[Resolution Determining the Necessity to Incur Bonded Indebtedness](#)

[Resolution Calling Election](#)

[Resolution Declaring Results of Election](#)

[Resolution Approving the Form of an Acquisition/Financing Agreement](#)

[Ordinance No. 548 Authorizing the Levy of Special Tax](#)

[Official Statement – 2019 Special Tax Bonds](#)

Current Levy Information:

[July 27, 2022 City Council Agenda Statement](#)

[Resolution Levying FY 2022-23 Special Taxes \(with levy amount by parcel\)](#)

[FY 2022-23 Budget](#)



Community Facilities District No. 2017-2 (Weston Municipal Services)

Community Facilities District No. 2017-2 (Weston Municipal Services) was formed on September 27, 2017 in order to assist in financing the incremental cost of public services necessitated by the Weston development. These authorized services include public safety (law enforcement, code enforcement, fire protection and paramedic services), community development, street lighting, landscape maintenance (on or adjacent to parks, parkways, streets and open space), maintenance of irrigation facilities, maintenance of public signage, graffiti removal, and maintenance of storm water and drainage facilities required to be maintained by the City. These services are funded by Special Tax "A". The Weston development now consists of 415 residential units.

In addition to Special Tax "A", the CFD is authorized to levy a contingent Special Tax "B" for costs attributable to maintaining, servicing, cleaning, repairing and/or replacing the storm water and drainage facilities required to be constructed as a condition of approval of the development of the property within the CFD. These costs are the responsibility of the homeowners' association, and contingent Special Tax "B" may only be levied upon a "Failure to Perform" event as specified in the Rate and Method of Apportionment. To date, contingent Special Tax "B" has never been levied.

The maximum annual special tax rate for both Special Tax "A" and contingent Special Tax "B" shall be increased by an amount equal to (i) the percentage increase in the San Diego Consumer Price Index, All Items for Urban Consumers, or (ii) by three and one half percent (3.5%), whichever is greater. The annual special taxes may be levied indefinitely.

Additional Information:

[Boundary Map](#)

Formation Documents:

[September 27, 2017 City Council Agenda Statement](#)

[CFD Report](#)

[Resolution of Formation](#)

[Resolution Calling Election](#)

[Resolution Declaring Results of Election](#)

[Ordinance No. 549 Authorizing the Levy of Special Tax](#)

Current Levy Information:

[July 27, 2022 City Council Agenda Statement](#)

[Resolution Levying FY 2022-23 Special Taxes \(with levy amount by parcel\)](#)

[FY 2022-23 Budget](#)

