



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 6, 2022

FROM: FINANCE DEPARTMENT WARDS: ALL

**SUBJECT: ANNUAL LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY
REPORT FOR FISCAL YEAR 2021-2022**

ISSUE:

Receive the Annual Local Agency Special Tax and Bond Accountability Report for Fiscal Year 2021-2022 to fulfill the annual reporting requirements of Senate Bill 165.

RECOMMENDATION:

That the City Council receive the Annual Local Agency Special Tax and Bond Accountability Report for Fiscal Year 2021-2022 to fulfill the annual reporting requirements of Senate Bill 165.

BACKGROUND:

The Local Agency Special Tax and Bond Accountability Act (the “Act”) was enacted through the adoption of California Senate Bill 165. Government Code 50075.1 and 53410 within the Act requires local agencies that have enacted special tax measures and/or local bond measures subject to voter approval to prepare and post an annual report. The report must outline the use of Special Tax revenue for Special Districts and the use of proceeds from local bond measures subject to voter approval.

DISCUSSION:

Per Senate Bill 165, the report must include a) the amounts of funds collected and expended through special tax measures; b) the status of any project required or authorized to be funded through special tax measures; c) the amount of funds collected and expended through voter approved bond issuances; and d) the status of any project required or authorized to be funded through voter approved bond issuances. The attached report fulfils the annual reporting requirements of the Act, which is applicable to each of the City’s Community Facility Districts as well as the Election of 2003 Fire Facilities General Obligation Bonds.

As required by Senate Bill 165, this annual report includes the taxes received in Fiscal Year 2021-2022 as well as the applicable bond principal, interest, and administrative expenses paid during

this time period. The report also includes the total amount of bond proceeds expended as of June 30, 2022, and the status of each project.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.3 – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.**

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The preparation and approval of this annual report complies with Senate Bill 165, Local Agency Special Tax and Bond Accountability Act. This report provides transparency for community members to whom the special taxes are administered.
2. **Equity** – The Community Facilities Districts and GO Bonds detailed in this report share the cost of infrastructure and maintenance services among each property owner within that district. The bonds associated with the funding in each district is spread long-term across the generations of property owners that benefit from it.
3. **Fiscal Responsibility** – Special Taxes are collected annually to pay the costs associated with bonds that were issued within each district. These amounts are administered to property owners within each district, ensuring the cost of the service is borne by those that benefit directly from it.
4. **Innovation** – Utilizing Community Facilities Districts is an innovative way to plan and direct revenue to directly support each new development.
5. **Sustainability & Resiliency** – The formation of a Community Facilities District provides a transparent and equitable way to manage, administer, and report on specific infrastructure related to development within the City. The Annual Special Tax and Bond Accountability Report provides transparent reporting to members in the community who are part of the districts that were formed.

FISCAL IMPACT:

There is no fiscal impact associated this report.

Prepared by: Heidi Schrader, Debt & Treasury Manager
Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Special Tax and Bond Accountability Report for Fiscal Year 2021-2022