



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 9, 2025

FROM: FINANCE DEPARTMENT WARDS: ALL

**SUBJECT: ANNUAL LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY
REPORT FOR FISCAL YEAR 2024/2025**

ISSUE:

Receive the Annual Local Agency Special Tax and Bond Accountability Report for Fiscal Year 2024/2025 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 2024/2025 to fulfill the annual reporting requirements of Senate Bill 165.

BACKGROUND:

The Local Agency Special Tax and Bond Accountability Act (the “Act”) established by California Senate Bill 165, includes Government Code sections 50075.1 and 53410. These provisions require local agencies with voter-approved special tax bond measures to prepare and publish an annual report. This report must outline the use of Special Tax revenues within Special Districts and provide details on the use of proceeds from locally approved bond measures.

The City has appointed Webb Municipal Finance, LLC, as its Special Tax Advisor. In managing the Special Districts, Webb Municipal Finance, LLC provides the following support to the City:

- Preparation of the annual Engineer’s Report, LMDs and SLAD
- Preparation of Special Tax and Assessment apportionments for SLAD, CSA, CFDs, LMDs, and ADs
- Submission of levy data, maps and reports to the County Assessor’s Office for recording
- Collaboration with City staff to collect data and prepare reports mandated by legislative¹ and SEC guidelines
- Preparation of tax tables, rate and method of apportionments, boundary maps and sizing analysis for new district formations
- Serving as a liaison between City, developers, property owners, and the County Recorder’s Office

¹ One legislative report required under Senate Bill 165 is the Annual Local Agency Special Tax and Bond Accountability Report.

On June 11, 2024, the City Council approved a five-year Professional Consultant Services Agreement with Webb Municipal Finance LLC.

The table below illustrates the anticipated costs associated with managing the Special Districts for Fiscal Year 2025/2026. Most of these fees are passed on annually to property owners within the Special Districts through the levy process, which includes a detailed budgetary process. Approximately \$12,000 is paid from the General Fund via the Debt and Treasury professional services budget.

FY 2025 / 2026	Number of Special Districts	Cost ²
Approved by Council	18	\$132,300

DISCUSSION:

In compliance with Senate Bill 165, the annual report includes:

- funds collected and expended through special tax measures;
- project status for initiatives funded through special tax measures;
- funds collected and expended from voter approved bond issuances; and
- project status for initiatives funded through voter approved bond issuances.

The report fulfils Act's requirements for each of the City's Community Facility Districts and the Election of 2003 Fire Facilities General Obligation Bonds.

The annual report, as required by Senate Bill 165, includes the tax receipts for Fiscal Year 2024/2025 and the applicable bond principal, interest, and administrative expenses paid during this timeframe. Additionally, it includes the cumulative bond proceeds expended as of June 30, 2025, and the status of each project.

FISCAL IMPACT:

There is no fiscal impact associated with the review and approval of this report.

Prepared by: Meline Carranza, Debt and Treasury Manager
 Approved by: Sergio Aguilar, Deputy Finance Director
 Certified as to
 availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/City
 Treasurer
 Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Special Tax and Bond Accountability Report for Fiscal Year 2024/2025

² Calculation assumes tax levies on all districts. Currently there are two districts that have not yet issued bonds.