

**"Empowering
Students for
Success"**



Capistrano Unified School District

Community Facilities District

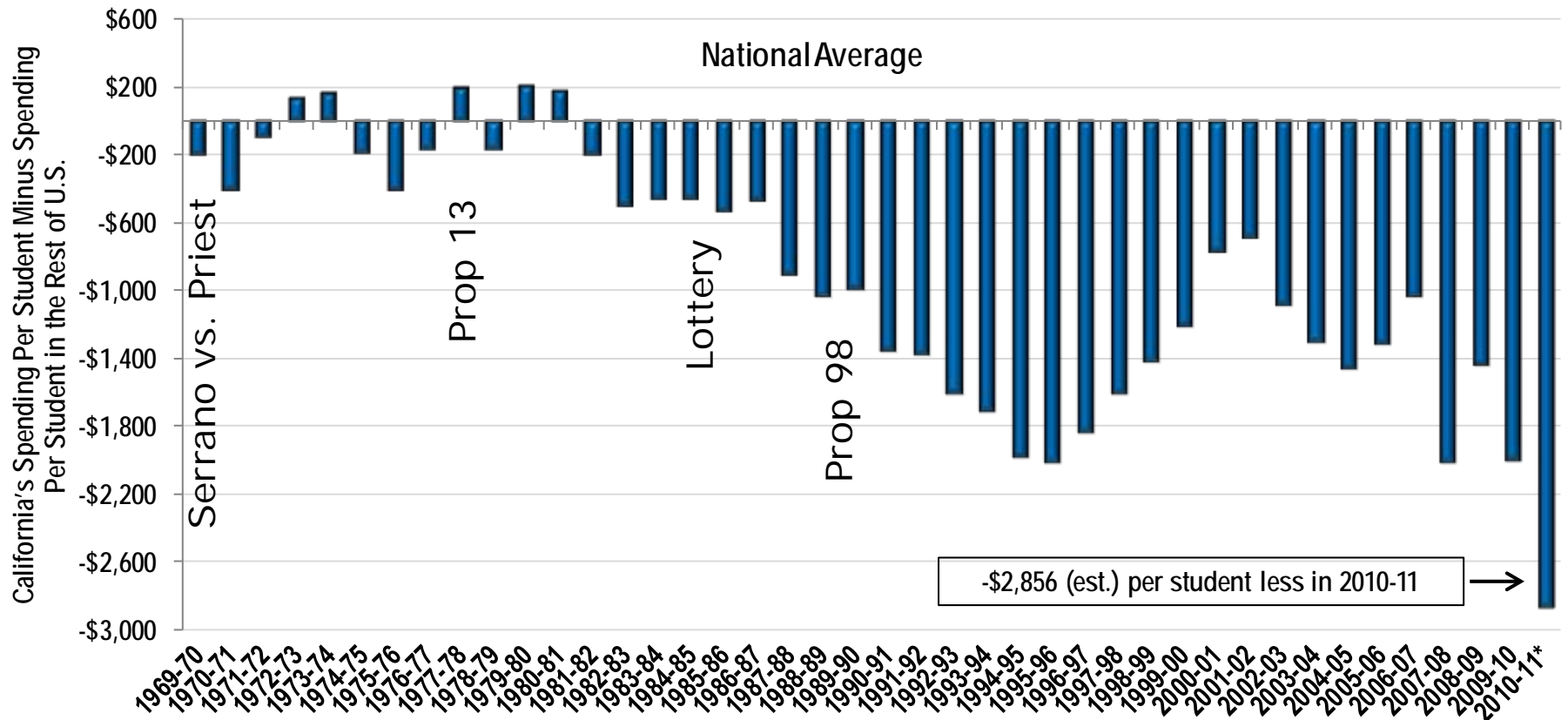
Overview and Update

April 23, 2014



California Per Student Expenditure Compared to National Average

California's K-12 Spending Per Student Lags Behind That of the Rest of the U.S. More Than at Any Time in 40 Years



* 2010-11 data estimated

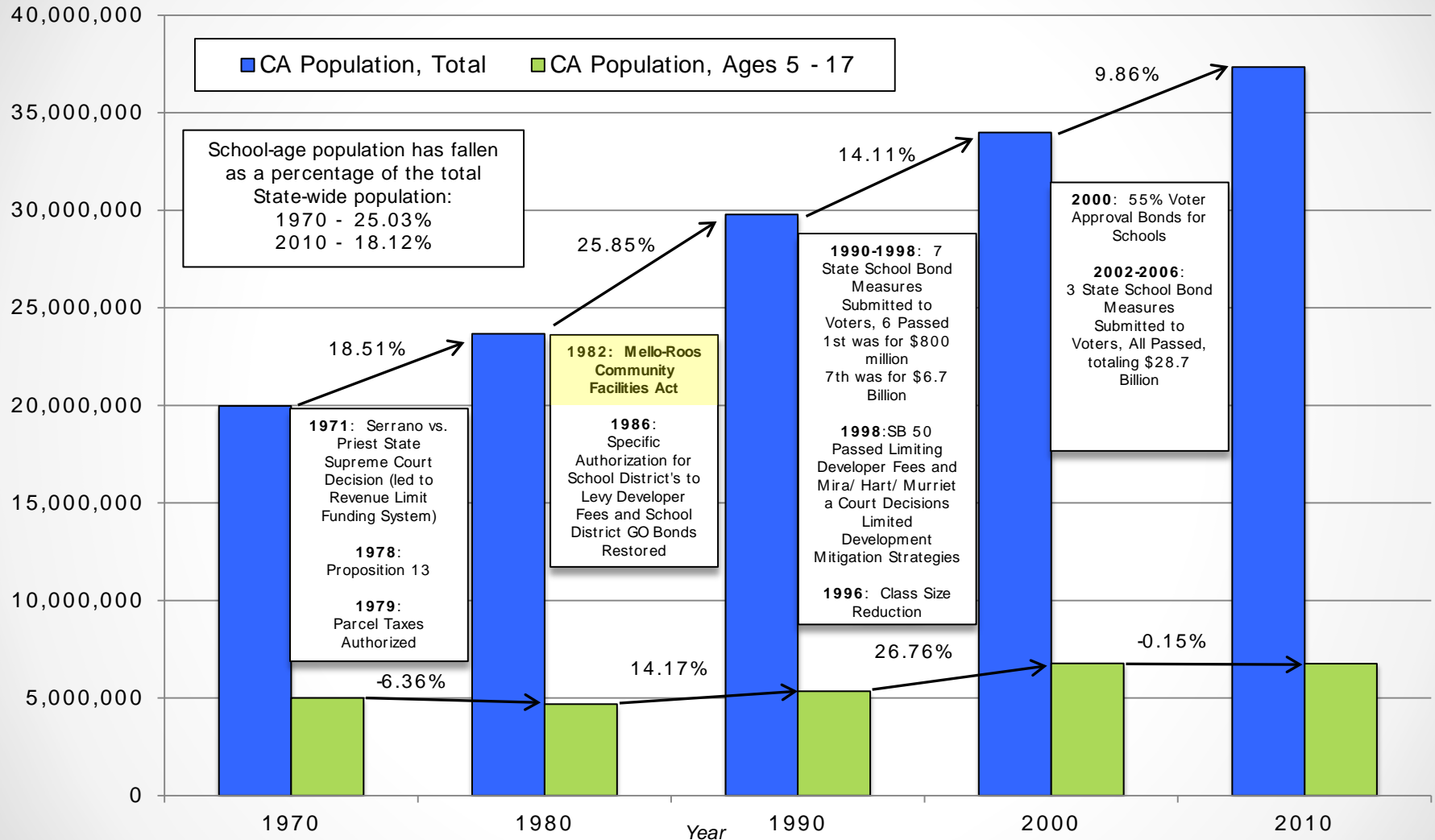
Note: Rest of U.S. excludes the District of Columbia

Source: National Education Association

Condensed View of 40 Years

California
Population

Steady Overall Population Growth - Volatile Student Growth



Data from *Estimated Total and School-Age Resident Populations, by State: Selected Years, 1970 - 2011*, from U.S. Department of Commerce, Census Bureau, *Current Population Reports*, Series P-25, No. 1095; (www.nces.ed.gov/programs/digest/d09/tables/dt09_017.asp). Prepared August 2012.



The Mello-Roos Act

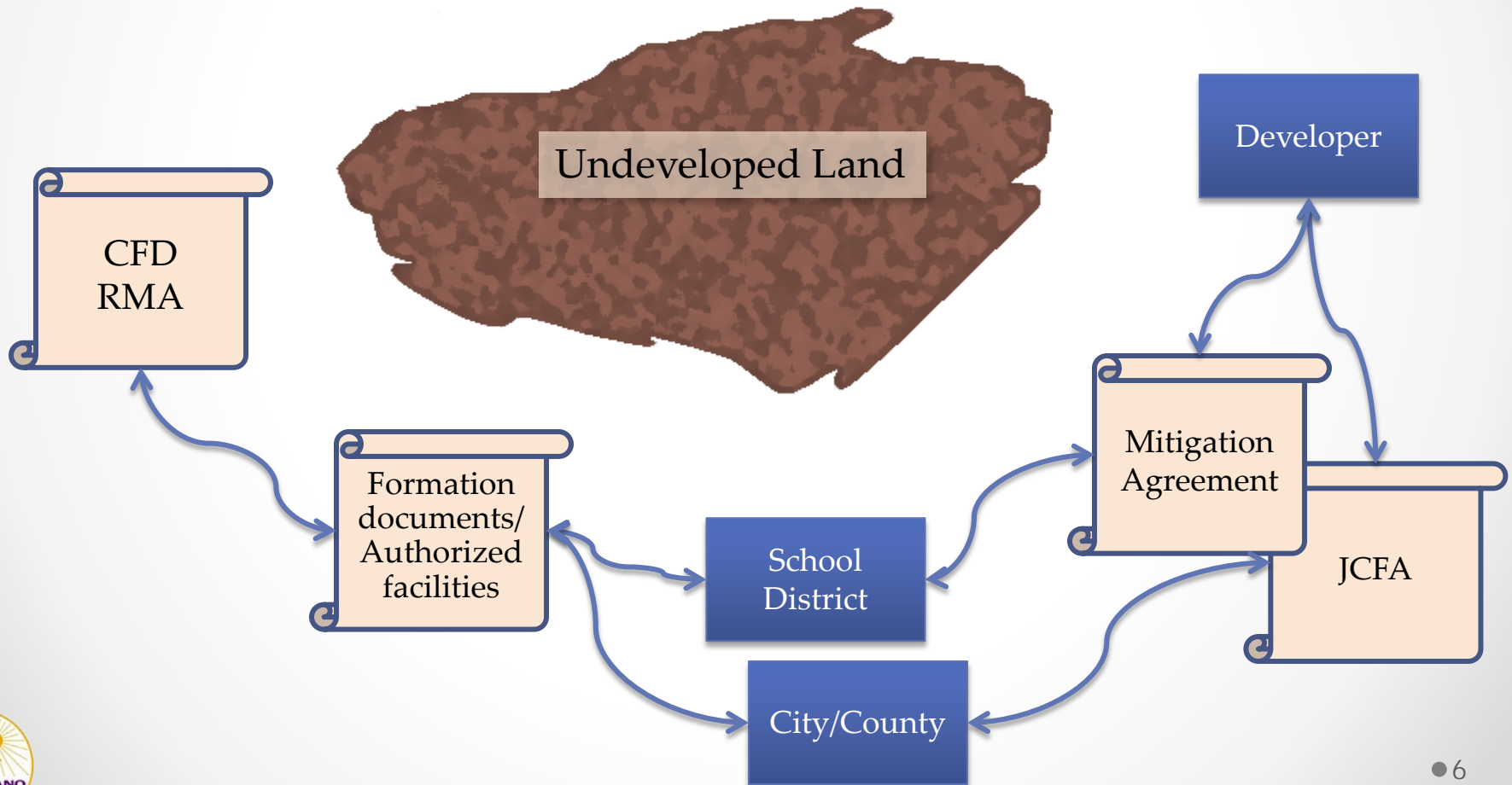
- The Mello-Roos Community Facilities Act authorizes the formation of a Community Facilities District (“CFD”) covering a defined geographical area
- An election may be held within the boundaries of the CFD to authorize Mello-Roos taxes and the issuance of bonds
 - Vote can be a landowner vote if CFD has less than 12 registered voters
- Allows for a flexible tax formula - but must be reasonable and not ad valorem (not based on assessed value)
- Original discretion to exempt types of property or taxpayers
- Taxes may be used for facilities, furniture & equipment, with a useful life of at least five years
- Mello-Roos special tax bonds are a method for capitalizing Mello-Roos taxes (although lease-purchases or certificates of participation can also be used)



Understanding Community Facilities Districts



Understanding Community Facilities Districts



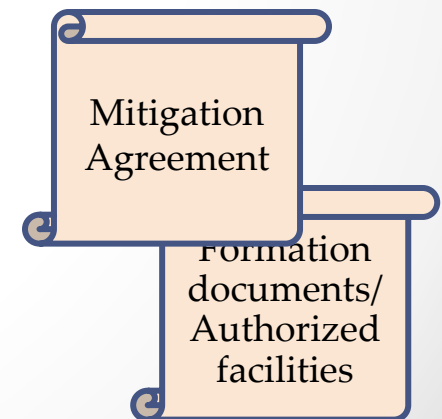
Development Considerations

- School Locations and Attendance Boundaries
- Student Capacity at current School Sites
- Need for New/Expanded/Modernized School Facilities
- Students generated by:
 - New development
 - Infill and demographic changes in existing areas
- Pace of New Development
- Size of Development Projects

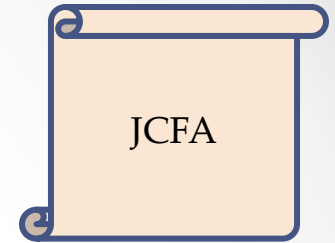


Mitigation Agreements/ CFD Formation

- Interface with Developer/City/County Entitlements and Environmental Review
 - Between CUSD and the Developer(s) (who owns the land)
- Mitigation Agreement
- Factors that can Influence a Mitigation Agreement
 - Current law
 - Future State Funding
 - Current/anticipated CUSD student needs
 - Joint Use Agreements
 - Current market conditions (home prices, pace of development, size of development, etc)
 - Parties involved
 - Board policies and directions
 - Developer considerations
- CFD Goals and Policies
 - Government Code Section 53312.7
- Resolution of Intention
- Resolution of Formation
- CFD Report
- Rate and Method of Apportionment
- Joint Community Facilities Agreement



Joint Community Facilities Agreements (JCFA)



- Contractual Obligations
- Between CUSD, Developer(s) and other governmental entities
- Examples
 - City
 - County
- Non-school facilities
 - Streets
 - Bridges
 - Sewers
 - Water
 - Fire
 - Parks

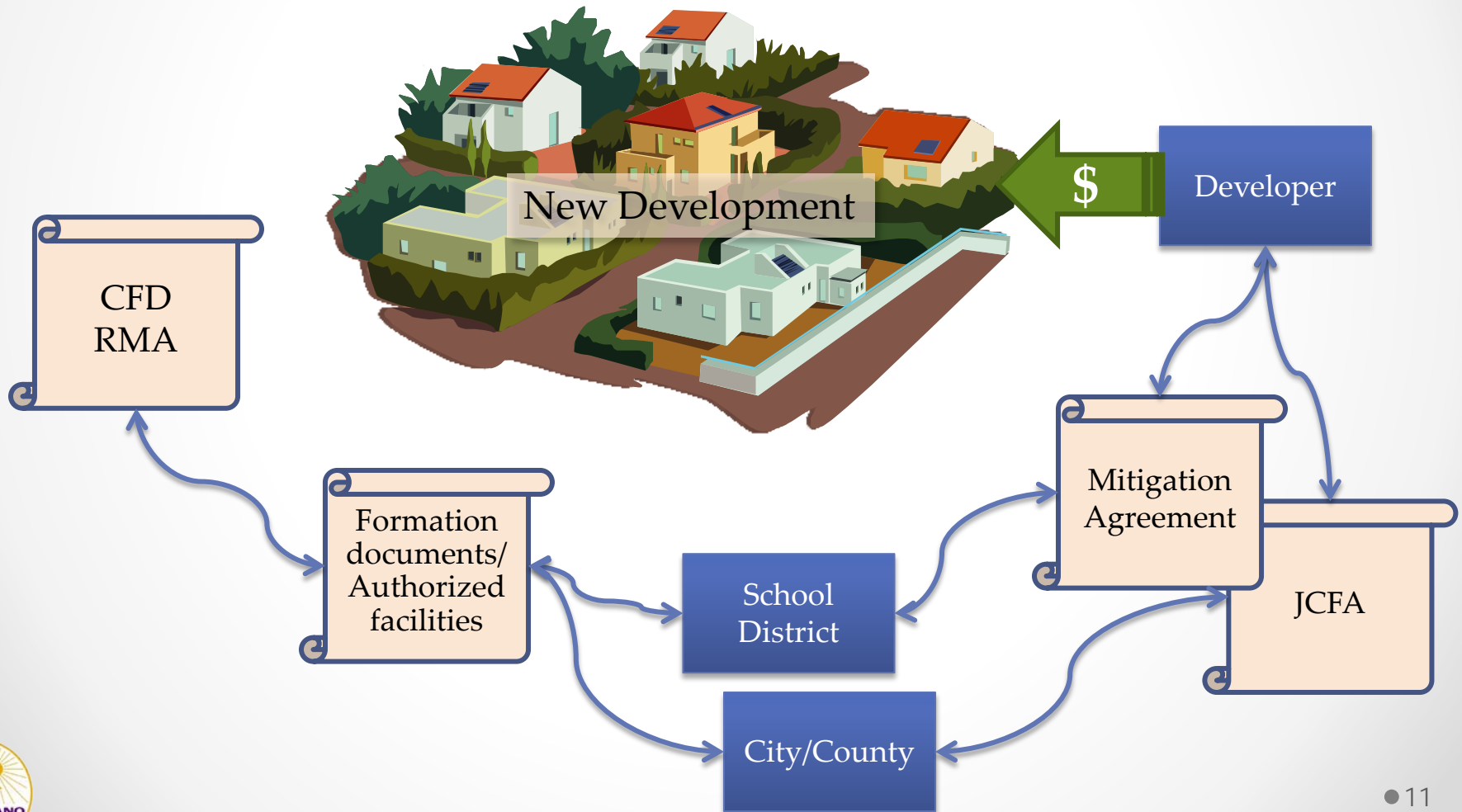
Other Funding Agreements

- Contractual Obligations
- Varies depending on CFD and circumstances
- Examples
 - Rancho Mission Viejo – New Development
 - Amendments to Mitigation Agreements
 - Amendments to Joint Community Facilities Agreements

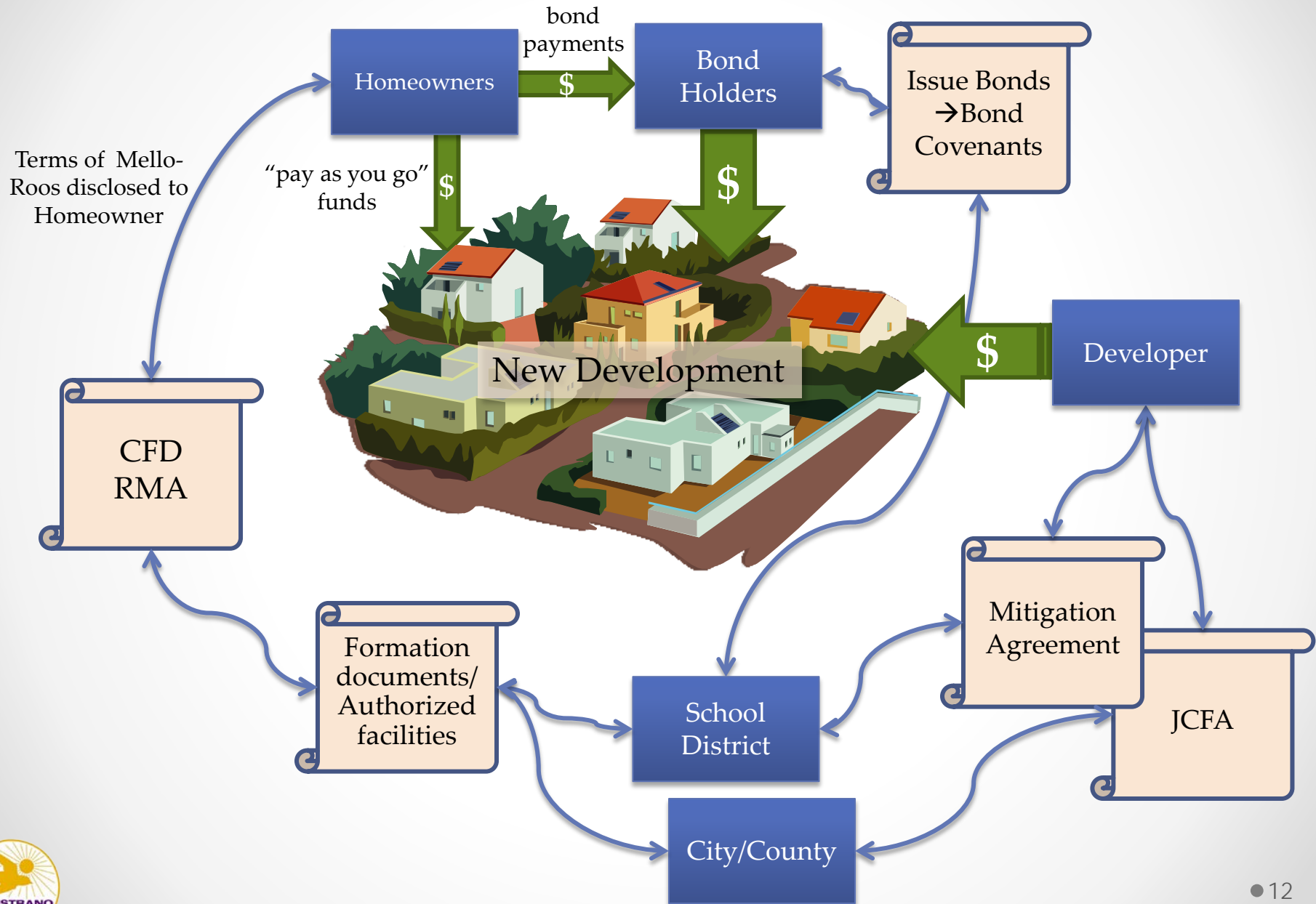
Boundary Map

- Statutorily required under Government Code Section 53325.1 and Streets & Highways Code Sections 3111 and 3113
- Recorded with the county recorder's office
- Does not have to conform to jurisdictional boundaries
- Does not have to be contiguous
- May not extend beyond local agency's boundaries unless part of a Joint Powers Agreement with the agency in which the boundary extends

Understanding Community Facilities Districts

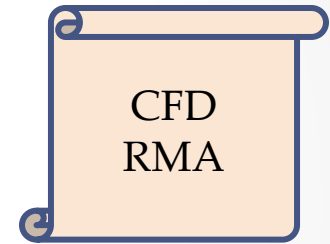


Understanding Community Facilities Districts



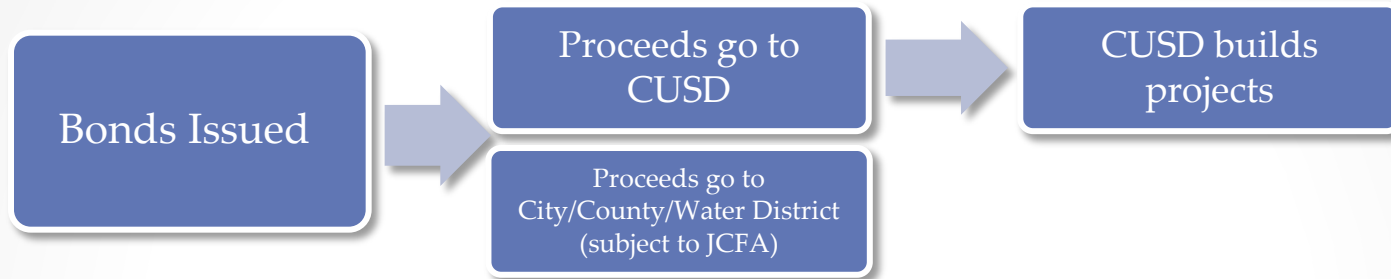
Disclosure to Homebuyers

- Developer is legally required to disclose special tax (Civil Code Section 1102.6b and Government Code Section 53340.2)
- Notice of Special Tax contains:
 - Maximum tax rate
 - Maximum tax rate escalator (if any)
 - Term of special tax
 - Authorized facilities which are being paid for by the special taxes
 - Authorized applicable services
 - Any liens on the special taxes related to outstanding or anticipated bond issuances

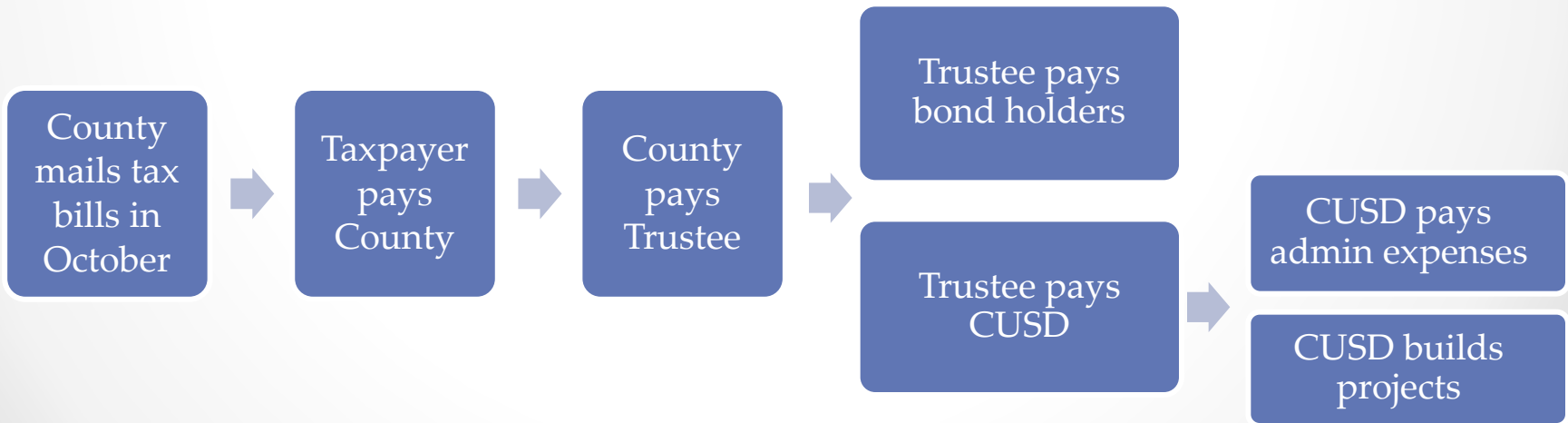


Flow of Funds

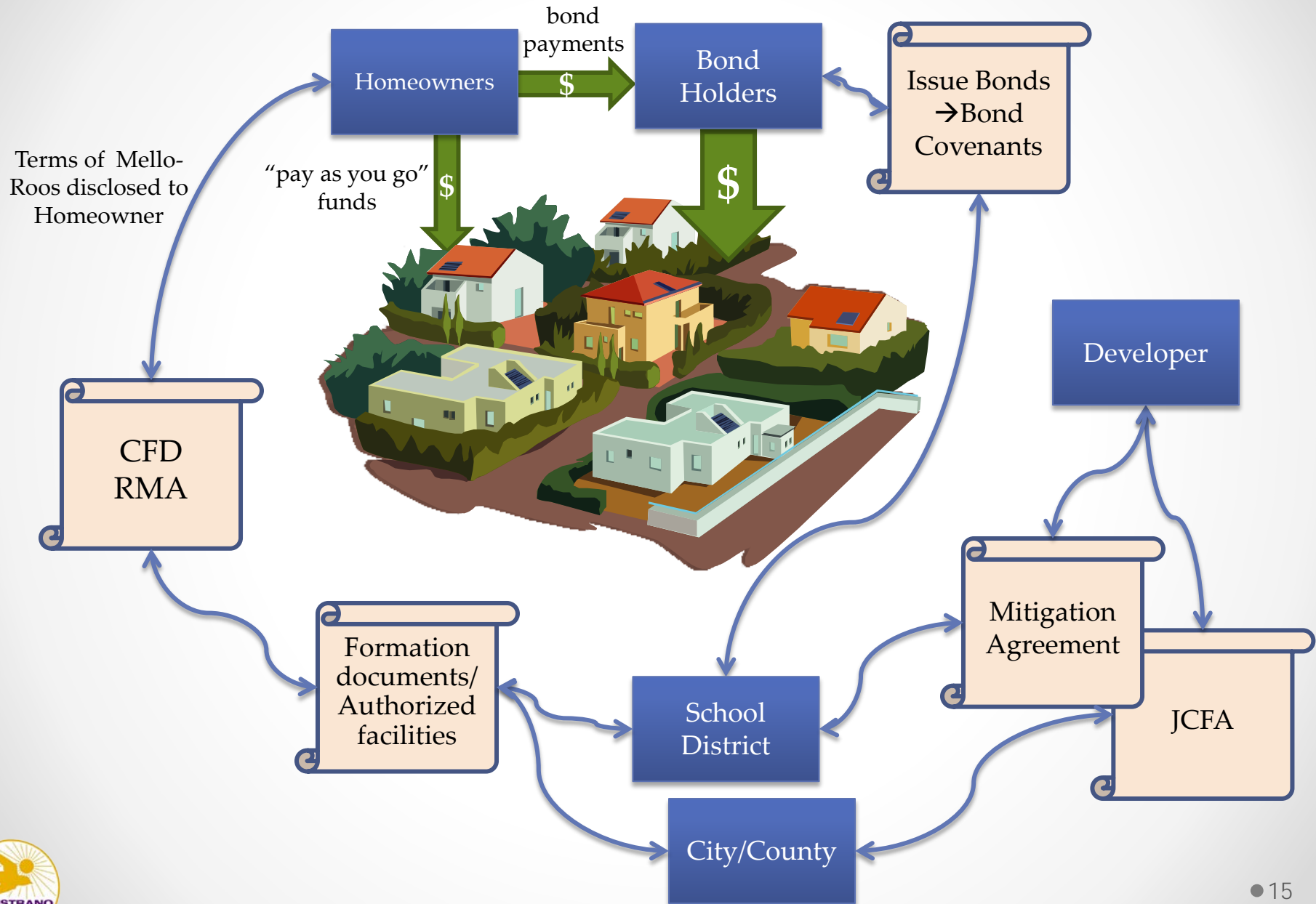
Bond Sale



Annual Special Taxes



Understanding Community Facilities Districts



Questions?

...



Appendix

• • •

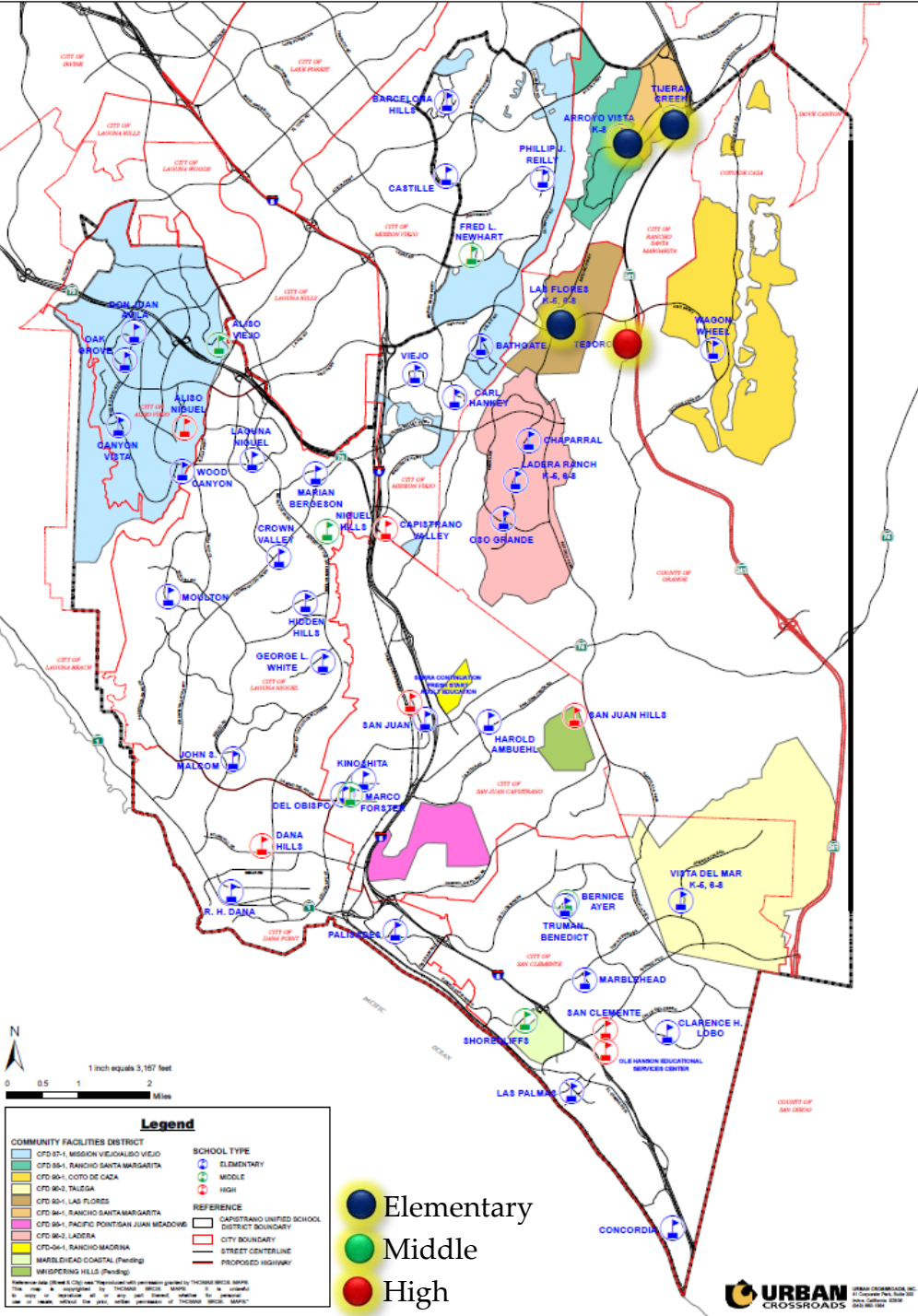
Capistrano Unified School District
Community Facilities Districts



CUSD Facilities Funding

- 11 CFDs
 - 87-1 Aliso Viejo/Mission Viejo
 - 88-1 Rancho Santa Margarita
 - 90-1 Coto de Caza
 - 90-2 Talega
 - 90-2 Talega Improvement Area 2002-1
 - 92-1 Las Flores
 - 94-1 Rancho Santa Margarita II
 - 98-1 Pacifica San Juan
 - 98-2 Ladera
 - 2004-1 Rancho Madrina
 - 2005-1 Whispering Hills
- Funding available for site improvements
 - Each CFD generates revenue for funding COP debt obligations, administration expense and maintaining a required reserve
 - Additional CFDs revenue may be used for authorized facilities on a pay as you go basis
- Needs identified in Master Plan
 - The District has a comprehensive master plan based on identified needs at all sites.
- Other Funding Available for All Sites
 - The District also has other capital facilities funds
 - Measure "A"
 - Developer Fees
 - Redevelopment Agency pass through funds





88-1 Rancho Santa Margarita (RSM)

CFD Terms

Bond Maturity	2014
Tax Term	N/A

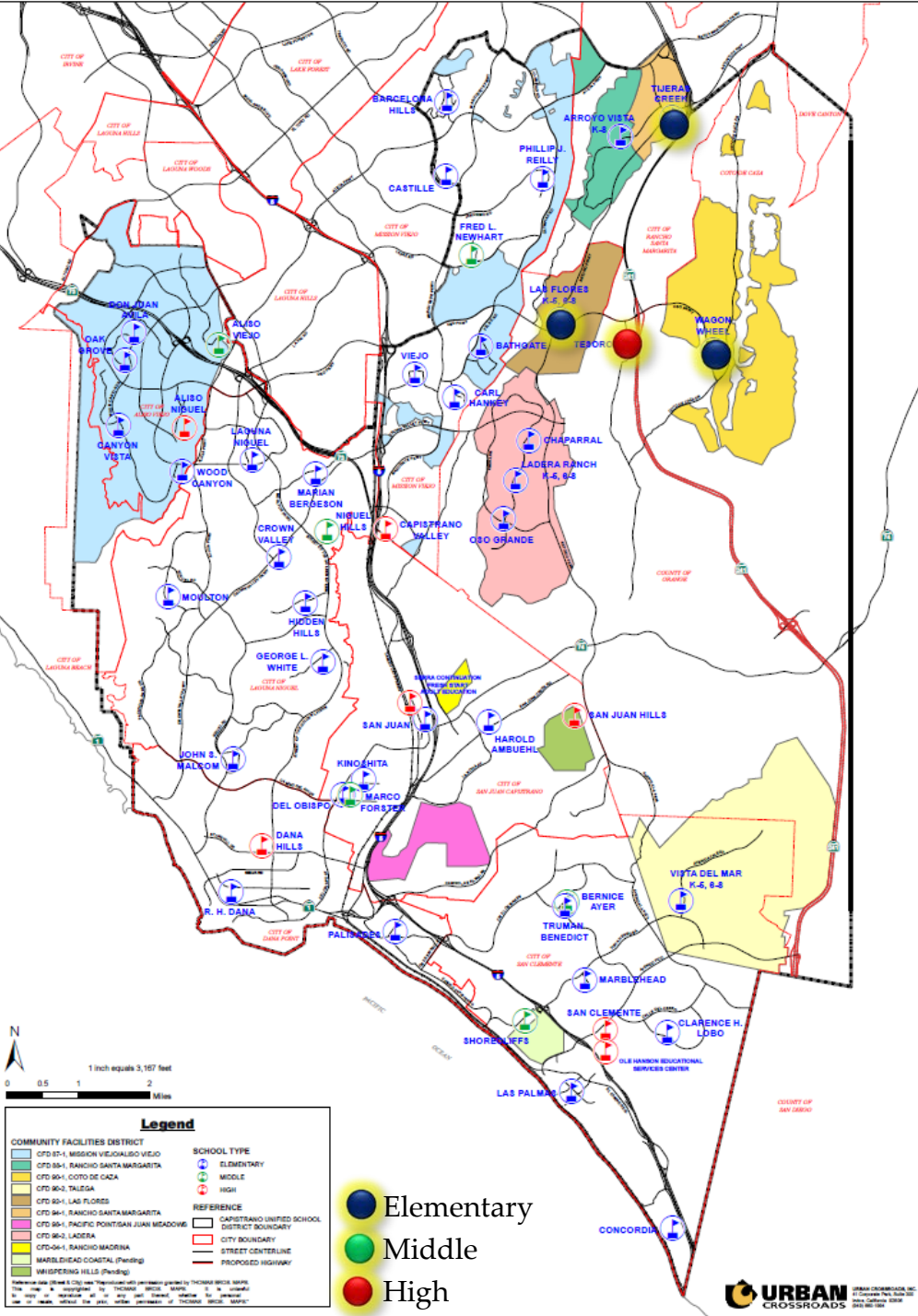
Available Funds

2012-2013 Transfer	\$97,242
2013-2014 Beginning Balance	\$885,824

Identified Site Needs (Master Plan)*

Code Updates	\$767,243
Renovation	\$6,335,472
Total Identified	\$7,102,715

*Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates



90-1 Coto de Caza

CFD Terms*

Bond Maturity	N/A
Tax Term	N/A

*CFD has no bonds issued. Assessment levied once at building permit issuance.

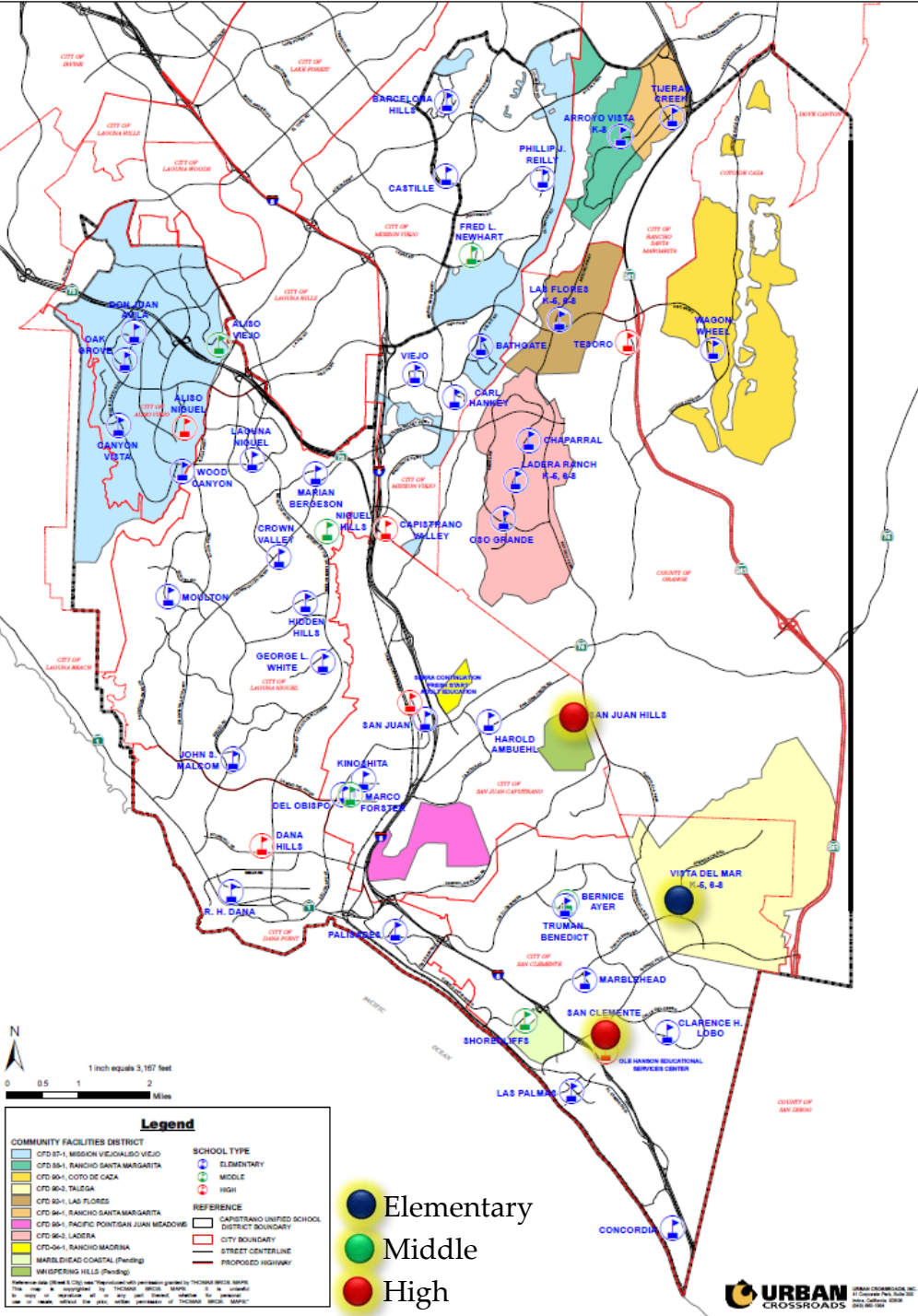
Available Funds

2012-2013 Transfer	\$148,171
2013-2014 Beginning Balance	\$2,038,856

Identified Site Needs (Master Plan)**

Code Updates	\$800,423
Renovation	\$5,950,965
Total Identified	\$6,751,388

**Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates



90-2 Talega / IA 2002-1

CFD Terms

Bond Maturity	2032 / 2033
Tax Term	2036-2037 / 2044-2045

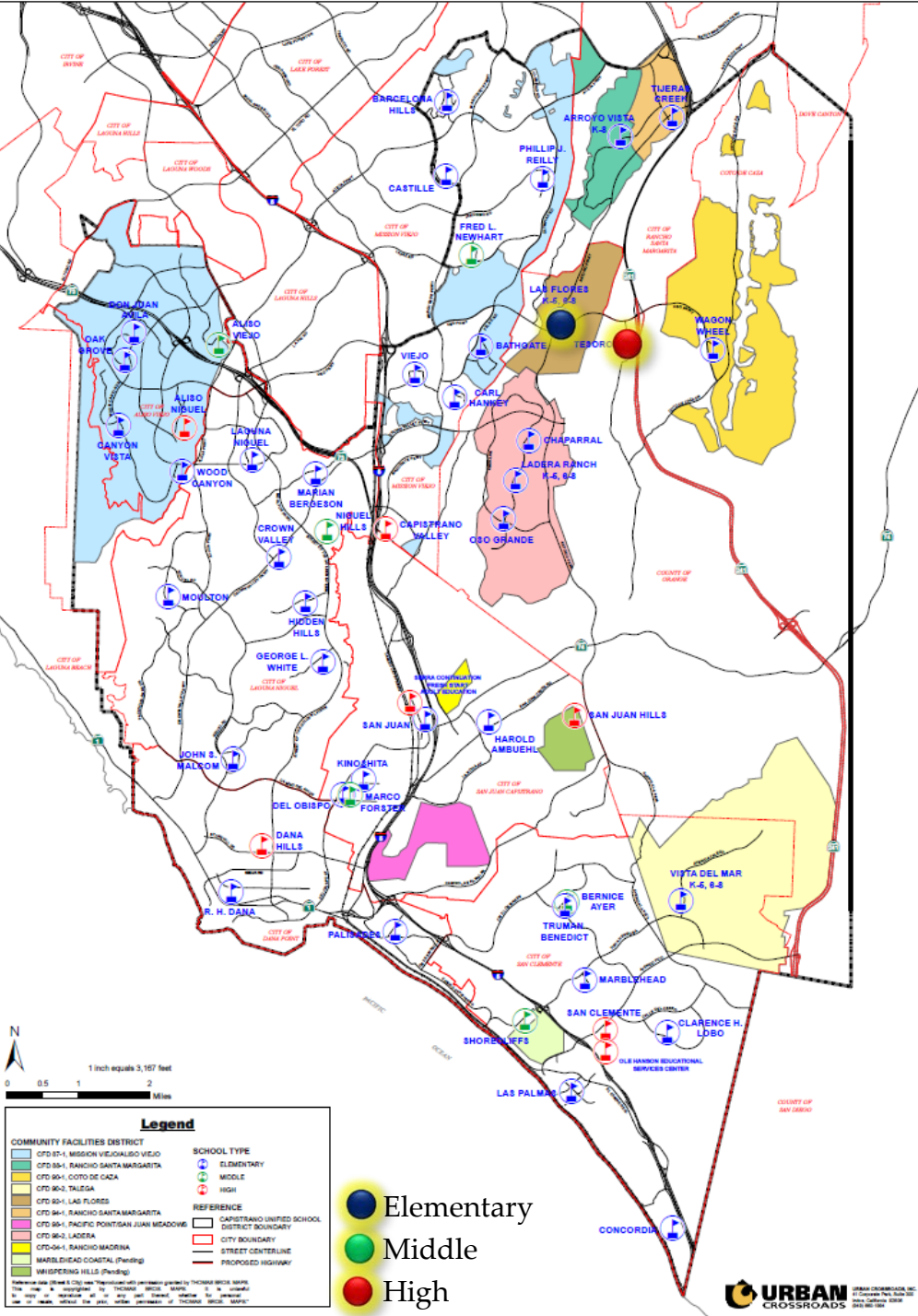
Available Funds

2012-2013 Transfer	\$1,212,692 \$317,605
2013-2014 Beginning Balance	\$5,002,012 \$1,082,532

Identified Site Needs (Master Plan)*

Code Updates	\$1,959,780
Renovation	\$7,697,935
Total Identified	\$9,657,715

*Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates



92-1 Las Flores

CFD Terms

Bond Maturity	2023
Tax Term	N/A

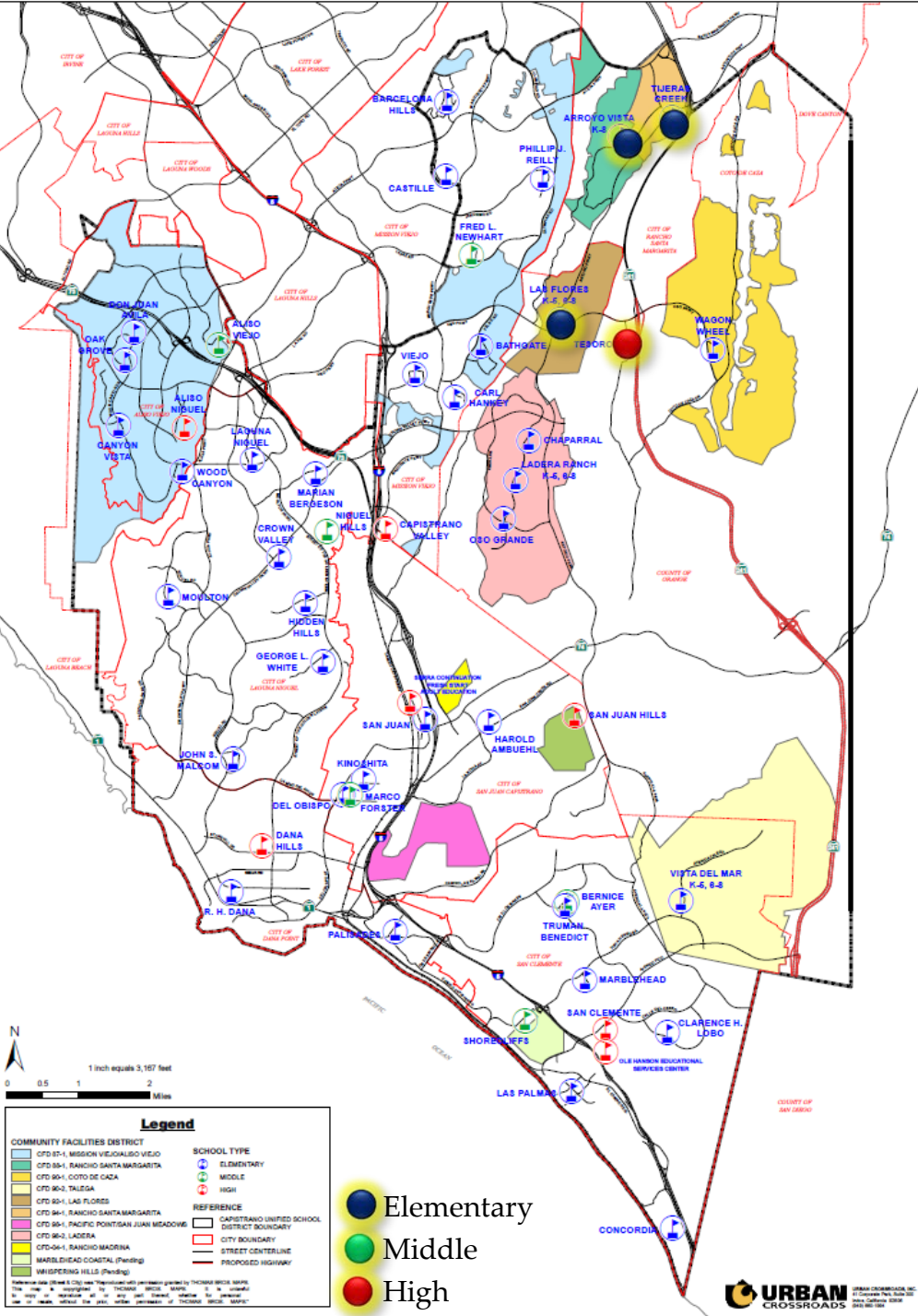
Available Funds

2012-2013 Transfer	\$670,394
2013-2014 Beginning Balance	\$6,409,627

Identified Site Needs (Master Plan)*

Code Updates	\$712,393
Renovation	\$5,067,384
Total Identified	\$5,779,777

*Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates



94-1 Rancho Santa Margarita II

CFD Terms

Bond Maturity	N/A*
Tax Term	2014 ¹

*CFD has no bonds issued.

1. Assessment ends when 88-1 special bond paid off or 2030-2031, whichever comes first.

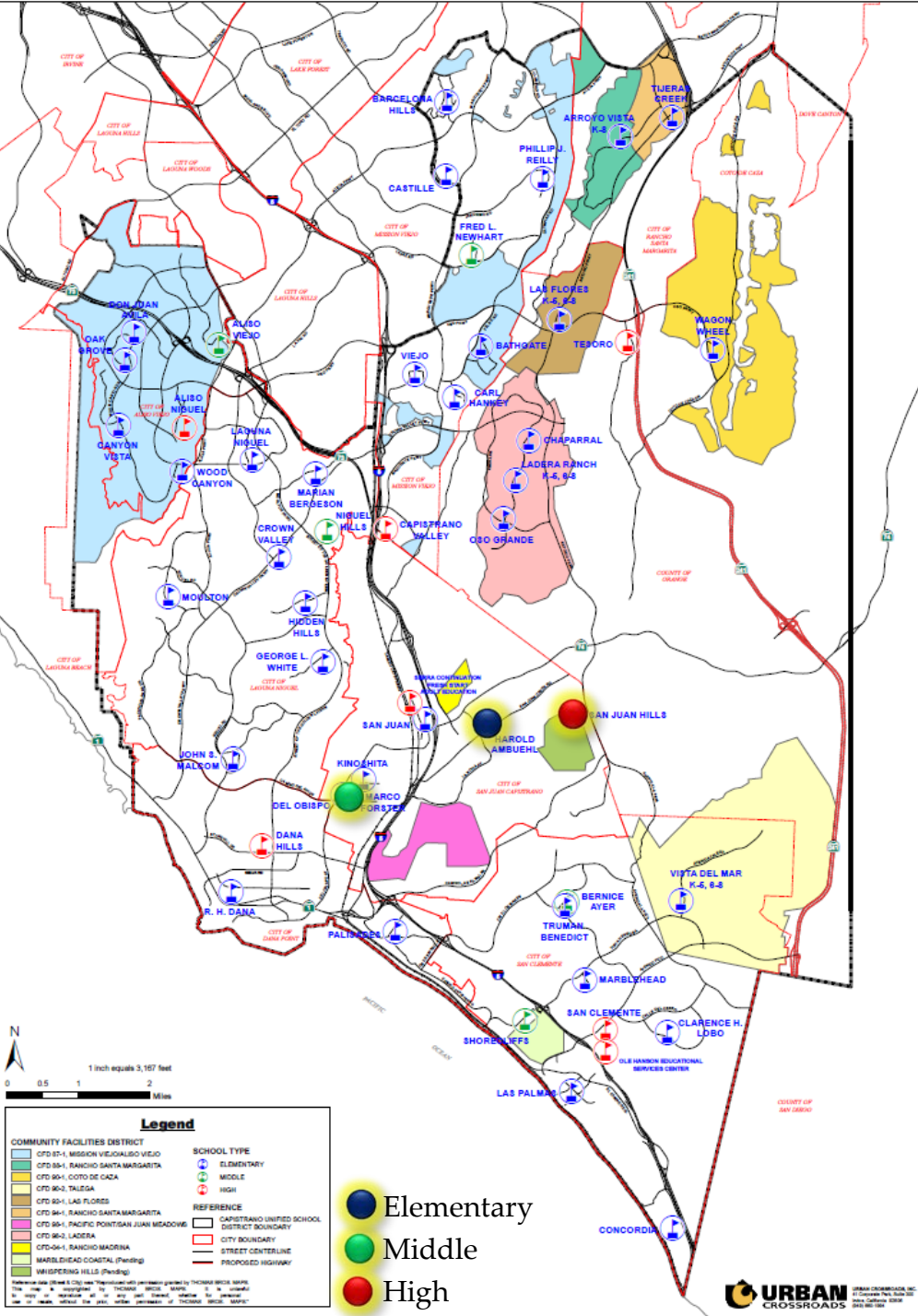
Available Funds

2012-2013 Transfer	\$282,204
2013-2014 Beginning Balance	\$1,860,008

Identified Site Needs (Master Plan)**

Code Updates	\$838,043
Renovation	\$7,053,066
Total Identified	\$7,891,109

**Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates



98-1 Pacifica San Juan

CFD Terms

Bond Maturity	N/A*
Tax Term	2044-2045

*CFD has no bonds issued.

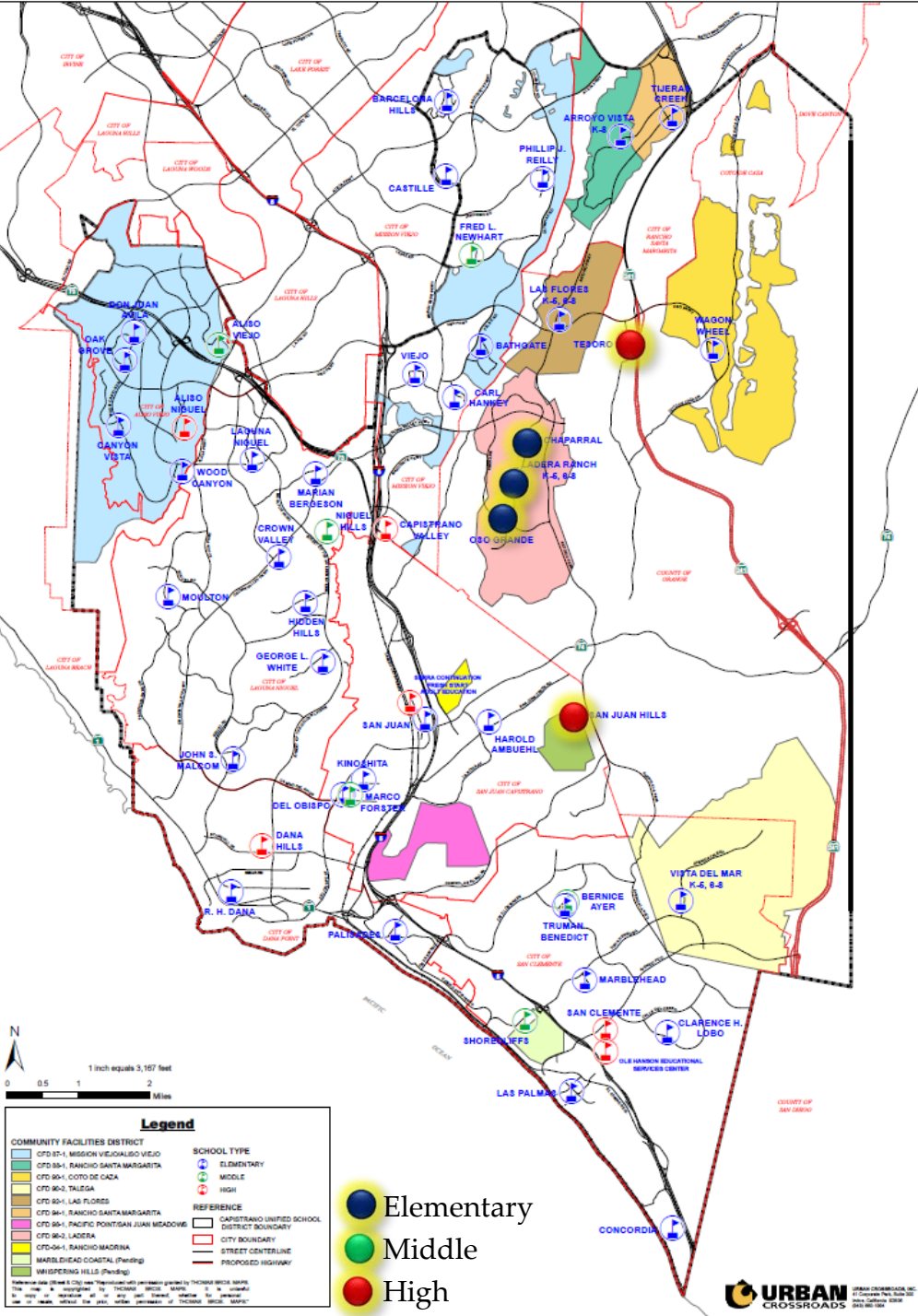
Available Funds

2012-2013 Transfer	\$356,355
2013-2014 Beginning Balance	\$1,351,266

Identified Site Needs (Master Plan)**

Code Updates	\$897,540
Renovation	\$1,862,233
Total Identified	\$2,759,773

**Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates



98-2 Ladera

CFD Terms

Bond Maturity	2033
Tax Term	2040

Available Funds

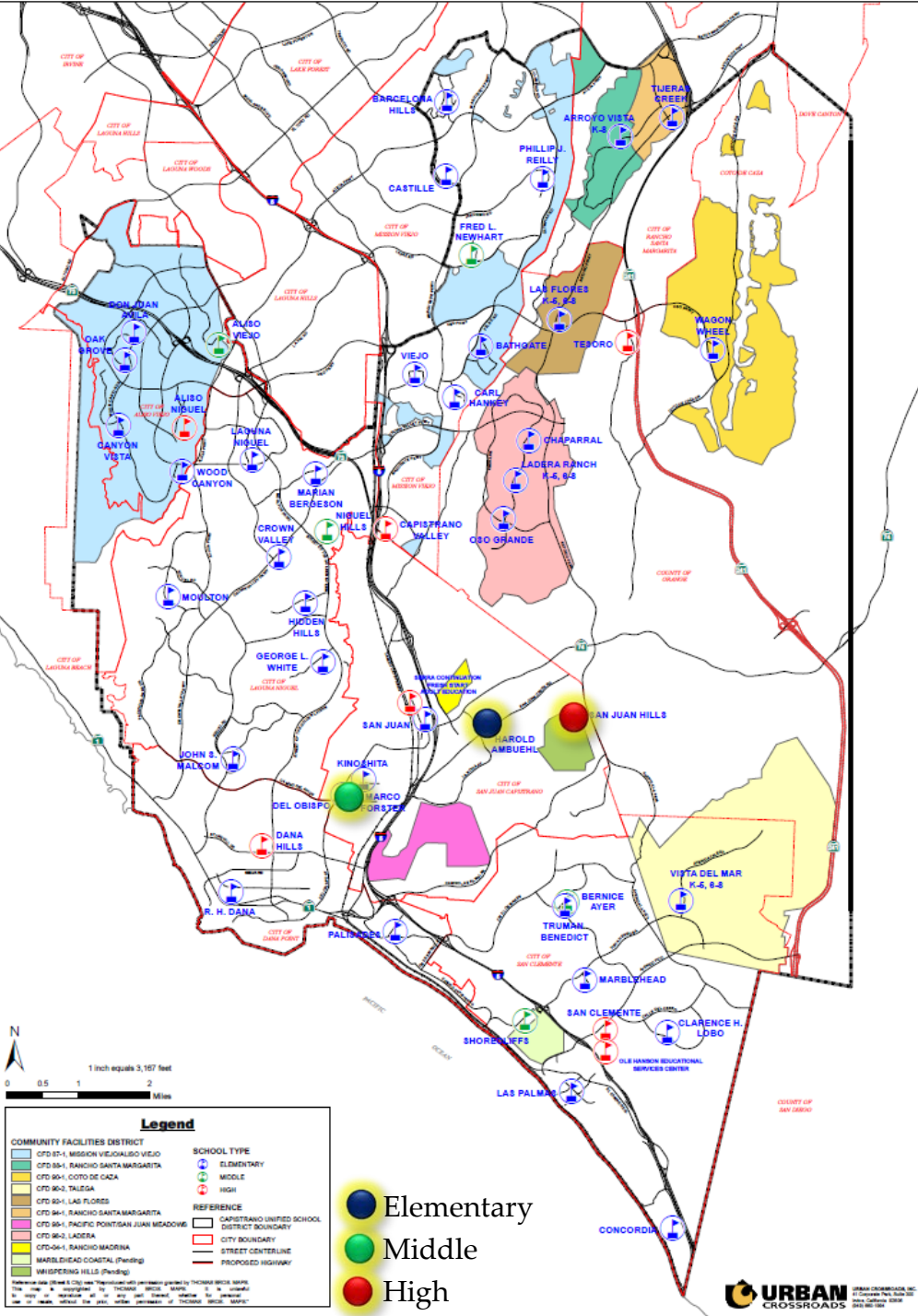
2012-2013 Transfer	\$2,018,771
2013-2014 Beginning Balance *	\$683,029

*Does not include encumbrances for SJHHS projects

Identified Site Needs (Master Plan)**

Code Updates	\$568,400
Renovation	\$5,098,480
Total Identified	\$5,666,880

**Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates



2004-1 Rancho Madrina

CFD Terms

Bond Maturity	2034
Tax Term	2043-2044

Available Funds*

2012-2013 Transfer	\$216,204
2013-2014 Beginning Balance	\$807,778

*Funds from 98-1 support same school sites

Identified Site Needs (Master Plan)**

Code Updates	\$897,540
Renovation	\$1,862,233
Total Identified	\$2,759,773

**Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates

2005-1 Whispering Hills

CFD Terms

Bond Maturity	2044
Tax Term	2043-2044

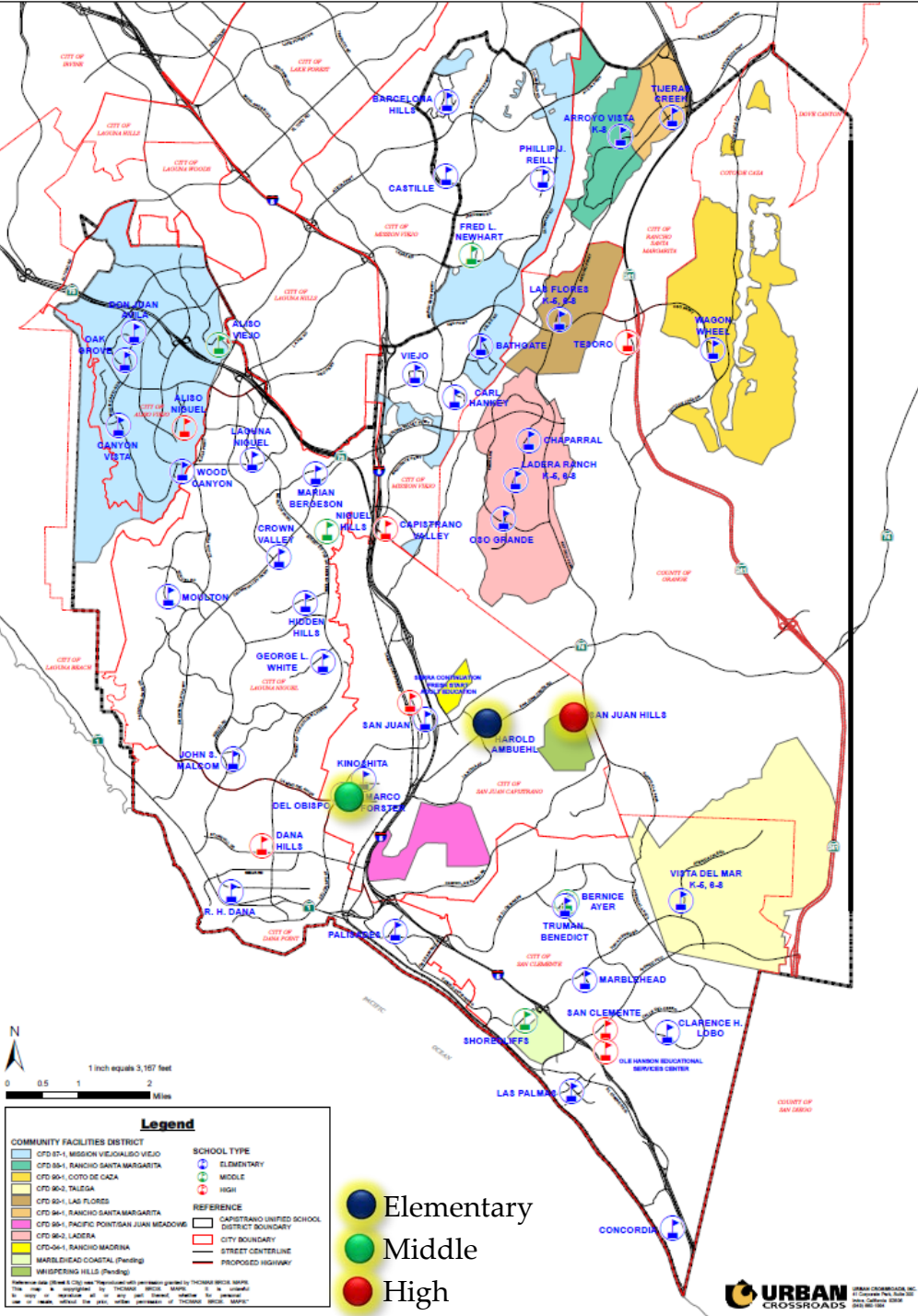
Available Funds

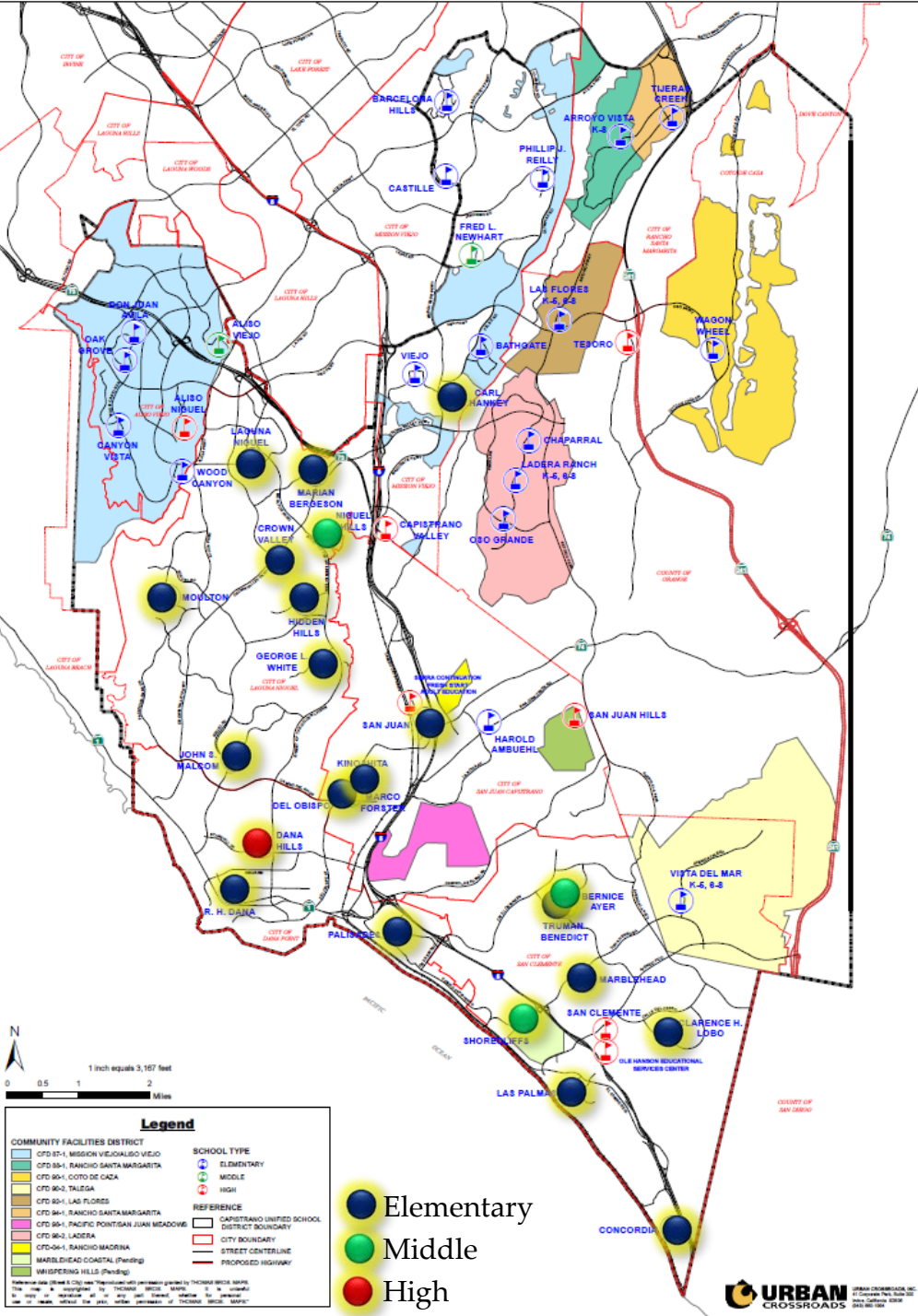
2012-2013 Transfer	\$0
2013-2014 Beginning Balance	\$8,541

Identified Site Needs (Master Plan)**

Code Updates	\$897,540
Renovation	\$1,862,233
Total Identified	\$2,759,773

**Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates





Non-CFD Sites. Measure A, Capital Facilities Fund, and Redevelopment Funds.

Available Funds Beginning 2013-2014

Measure "A" (all sites) ^[1]	\$5,099,894
Fund 25-Capital Facilities (all sites)	\$5,639,279
Mission Viejo Redevelopment*	\$7,900,200
San Clemente Redevelopment*	\$349,089

*Redevelopment funds may include sites that are also in a CFD.

^[1] to be used for SCHS roof and DHHS HVAC

Identified Site Needs (Master Plan)**

Code Updates	\$7,630,550
Renovation	\$23,529,768
Total Identified	\$31,160,318

**Does not include site work, minimum essential facilities, classroom replacement, or deferred maintenance estimates