

**"Empowering
Students for
Success"**



Capistrano Unified School District

Community Facilities District
Authorized Uses

January 14, 2015

Mello-Roos

Statutes Summary

- **53311.5** – Legislative intent to allow Mello-Roos/CFD special taxes as a method of financing certain public capital facilities and services, especially in developing areas and areas undergoing rehabilitation
- **53313(g)** – a CFD may be established to finance a broad range of facilities, which includes maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the local agency (CUSD) or by another local agency under permitted agreements
- **53313.5** – a CFD may also finance the purchase, construction, expansion, improvement or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer or may finance planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of an real or tangible property. The financed facilities are not required to be located in the boundaries of the CFD. Examples of permitted facilities: elementary and secondary schoolsites and structures meeting the required State Allocation Board standards
- **53315** – Legislative intent that the statutes of the Mello-Roos Act (California Government Code Sections 53311 *et seq.*) be liberally construed in order to effectuate its purposes



Individual CFDs

- Important to know that each CFD is unique to its formation documents, specifically the Resolution of Formation, which specifies the authorized facilities and/or services that may be funded by the special taxes collected of the CFD.
- Formation documents also include: Resolution of Intention to Form the CFD, Notice of Special Tax, Mitigation Agreement, CFD Report, Ordinance levying Special Tax, Bond Indentures, if bonds have been issued, resolutions of the legislative body of the CFD, Rate and Method of Apportionment, and joint agency agreements.
- Any modifications to Mello-Roos law are incorporated into a CFD at time of formation
- Debt service/repayment on issued bonds is only one subset of permitted expenditures of special taxes.

CUSD Facilities Funding

- Nine levying Community Facilities District (CFDs)
 - 87-1 Aliso Viejo/Mission Viejo
 - 90-1 Coto de Caza
 - 90-2 Talega
 - 90-2 Talega Improvement Area 2002-1
 - 92-1 Las Flores
 - 98-1 Pacifica San Juan
 - 98-2 Ladera
 - 2004-1 Rancho Madrina
 - 2005-1 Whispering Hills
- Funding available for site improvements
 - Each CFD generates assessment revenue for funding bond debt service obligations, administration expense, and maintaining a required reserve
 - Additional CFD revenue may be used for eligible facilities work
- Needs identified in Master Plan
 - The District has a comprehensive master plan based on identified needs at all sites



CFD No. 87-1 Aliso Viejo/Mission Viejo

CFD Terms

Bond Maturity	2020 (bonds will be called in 2016)
Tax Term	2016

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Construction, acquisition, modification, or rehabilitation of certain real or other tangible property with an estimated useful life of five years or longer, including certain school and related facilities

Purchase of land

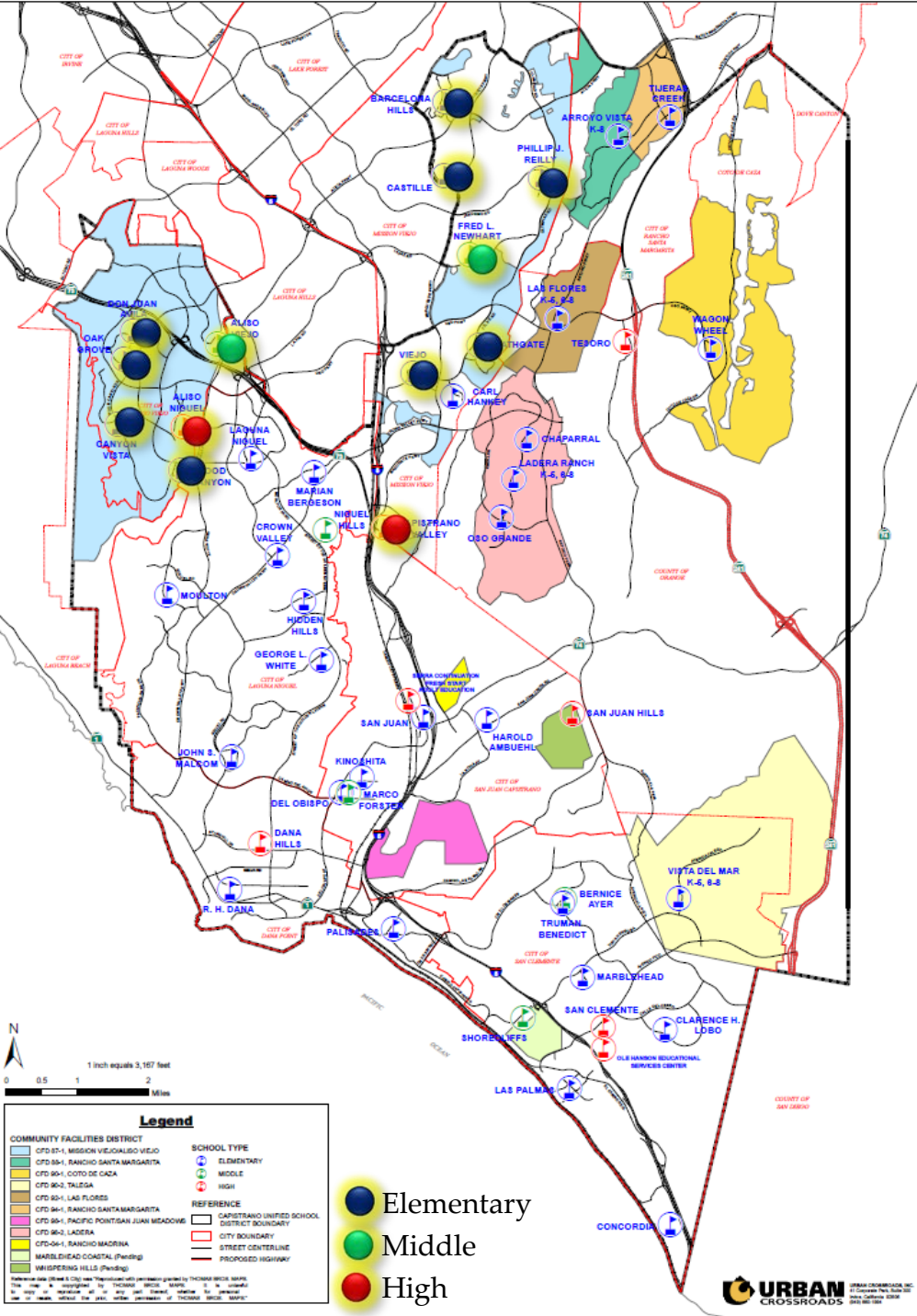
Design and planning work related to such facilities to serve the area within CFD No. 87-1

Acquiring necessary rights-of-way, equipment, and property (and fulfilling contractual commitments)

Classrooms, multi-purpose, and administration space at identified schools or portions of identified schools in the CFD Report

Central support and administrative facilities, interim housing, transportation, and special education facilities proportionately related to Project Students as reasonably determined by the District

Lease payments for financings, if for authorized school facilities, proportional to project students as reasonably determined by the District



CFD No. 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.

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Planning, designing, constructing, acquiring, modifying, improving, or rehabilitating certain real and other tangible property with an estimated useful life of five years or longer

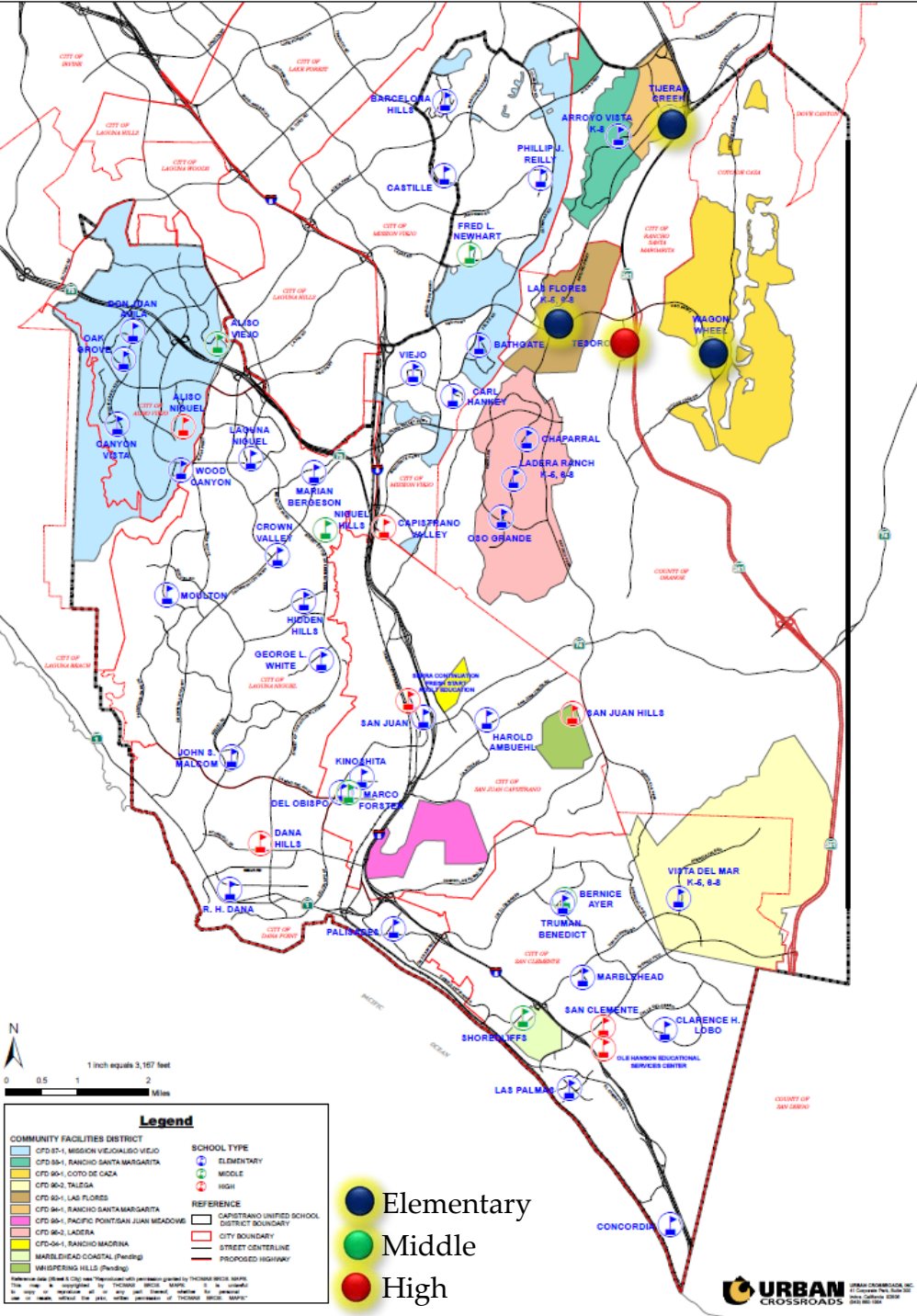
Facilities necessary to house elementary, middle, and high school students generated as a result of development within CFD No. 90-1 (project students)

Landscaping, parking, classrooms, administrative areas, multimedia facilities, furniture, and related equipment

Payment of the principal of and interest on such bonds

Central support and administrative facilities, interim housing, transportation, and special education facilities proportionately related to project students as reasonably determined by the District

Lease payments for financings, if for authorized school facilities, as reasonably determined by the District



CFD No. 90-2 Talega

CFD Terms

Bond Maturity	2032 / 2033
Tax Term	20036-2037 / 2044-2045

Authorized Uses

Acquisition, purchase, modification, improvement, rehabilitation, construction, and/or financing of facilities to serve K-12 students

Classrooms, multi-purpose, administration, and auxiliary space at schools

Central support and administrative facilities

Interim housing, transportation, and special education facilities

Furniture, equipment, and technology (multimedia facilities)

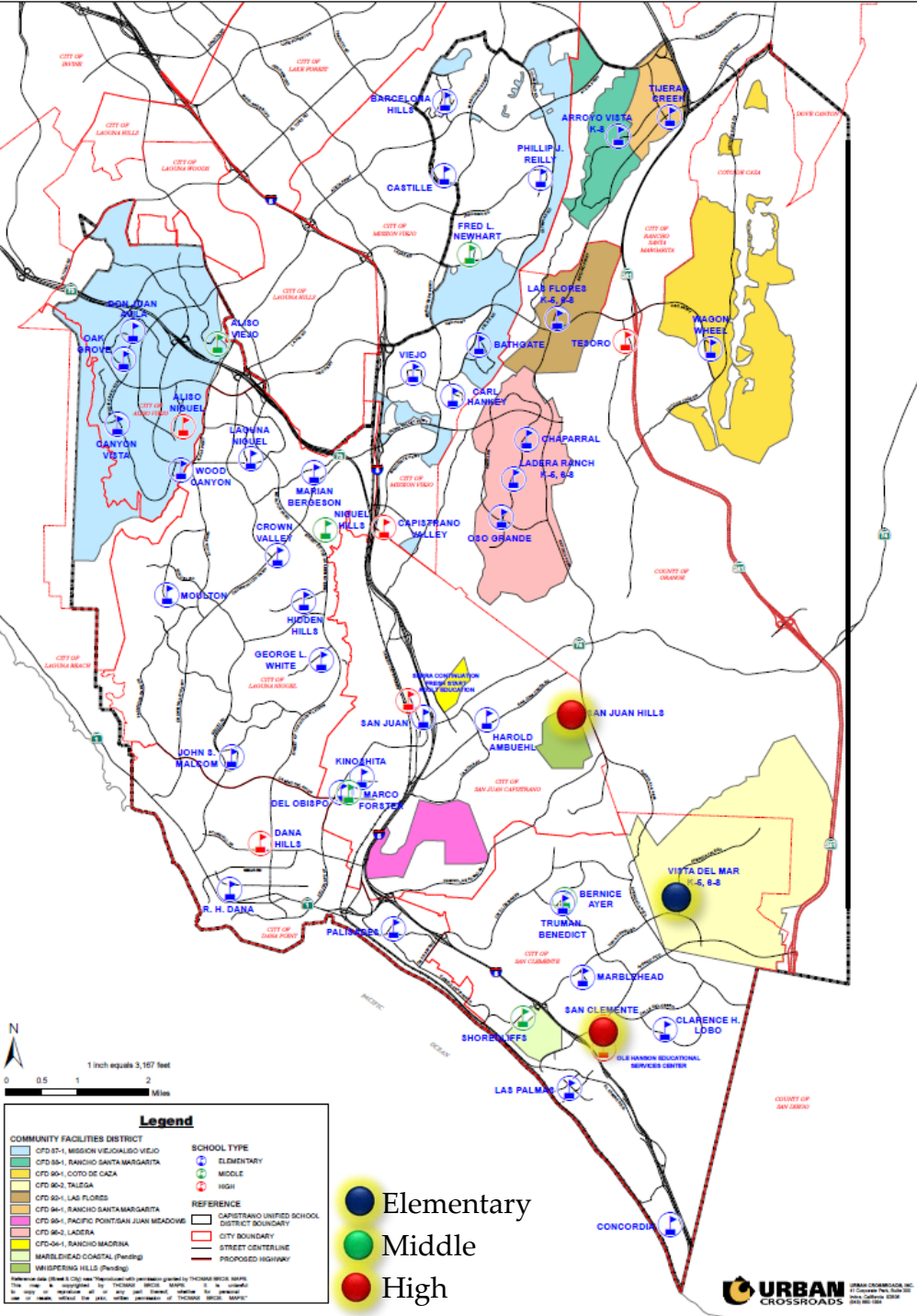
Land

Landscaping and parking

Attributable costs of engineering, design, planning, materials testing, etc.

Lease payments for financings, if for authorized school facilities, proportional to project students as reasonably determined by the District

Any reference to "Facilities" means the School Facilities and the City of San Clemente (City) facilities included within the Joint City Facilities Agreement (JCFA)



CFD No. 90-2 Talega/ Improvement Area 2002-1

CFD Terms

Bond Maturity	2032 / 2033
Tax Term	20036-2037 / 2044-2045

Authorized Uses

Adequately house project students and provide essential educational improvements

Financing School Facilities

Bond proceeds to be made available by the CFD for City Improvements

In addition to the bond financed facilities, certain school facilities may be financed through the levy of Special Taxes

Facilities include, without limitation, classrooms, multi-purpose, administration and auxiliary space at a school, and interim housing, together with furniture, equipment and technology, land, central support and administrative facilities, and transportation and special education facilities, including any incidental school administrative and transportation center improvements

The special tax secured by this lien is authorized to be levied for the purpose of: (1) the construction, purchase, modification, expansion, improvement or rehabilitation of (a) school facilities to be owned and operated by the District

Classrooms, multi-purpose, administration, and auxiliary space

Interim housing

Furniture, equipment, and technology, needed by the District in order to mitigate the impact on school facilities of the student population to be generated as a result of the development of the property to be included within the Improvement Area

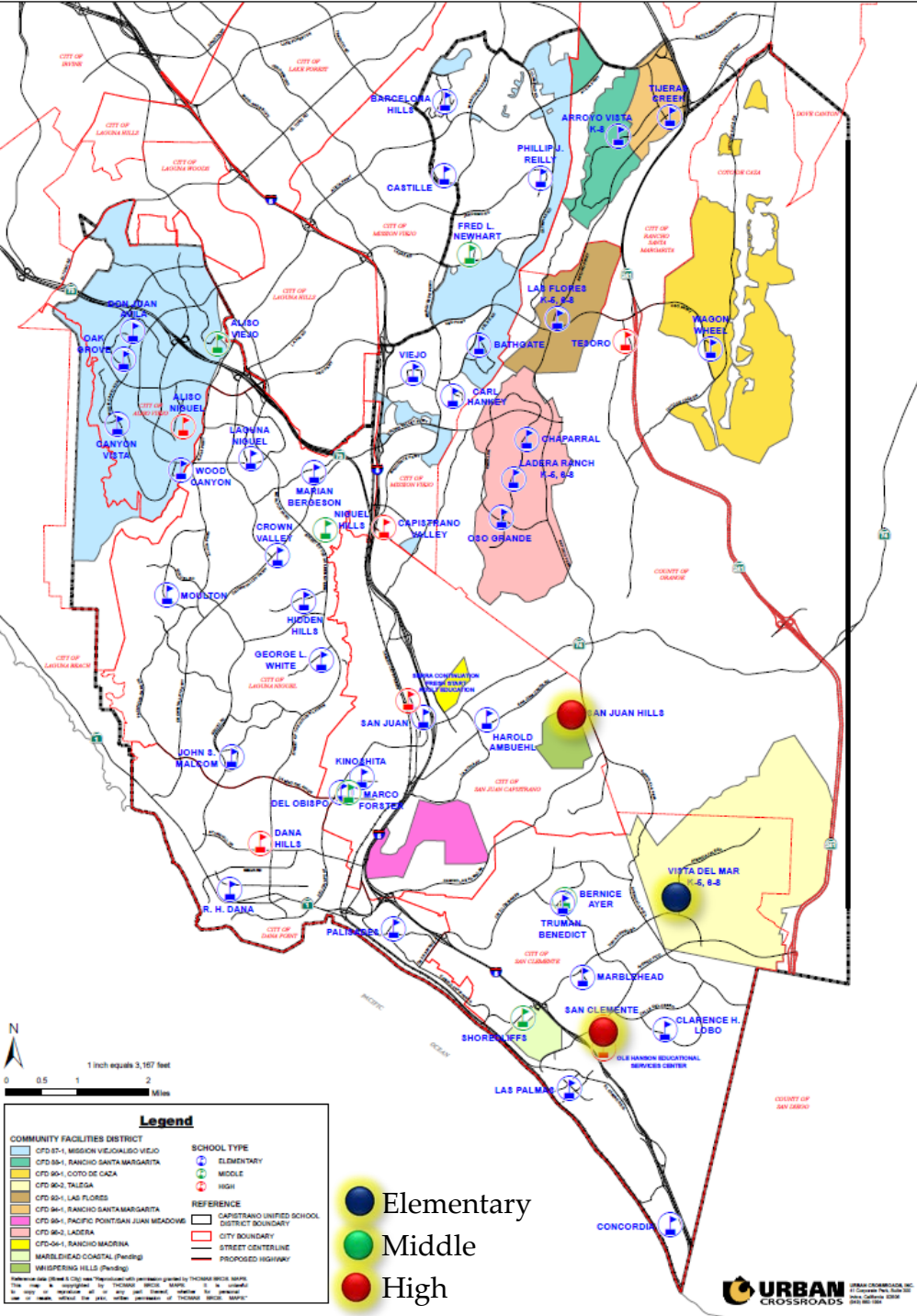
Land

Central support and administrative facilities, transportation, and special education facilities, including any incidental school administration and transportation center improvements

Bridge and roadway improvements to be owned and operated by the City of San Clemente

Engineering, planning, and design

Costs of the issuance of the bonds, the determination of the amount of special taxes to be levied, costs otherwise incurred in order to carry out the authorized purposes of the Improvement Area and administering the Improvement Area



CFD No. 92-1 Las Flores

CFD Terms

Bond Maturity	2023
Tax Term	N/A

Authorized Uses

Planning, designing, constructing, acquiring, modifying, expanding, improving, furnishing, equipping or rehabilitating certain real, and other tangible property with an estimated useful life of five years or longer

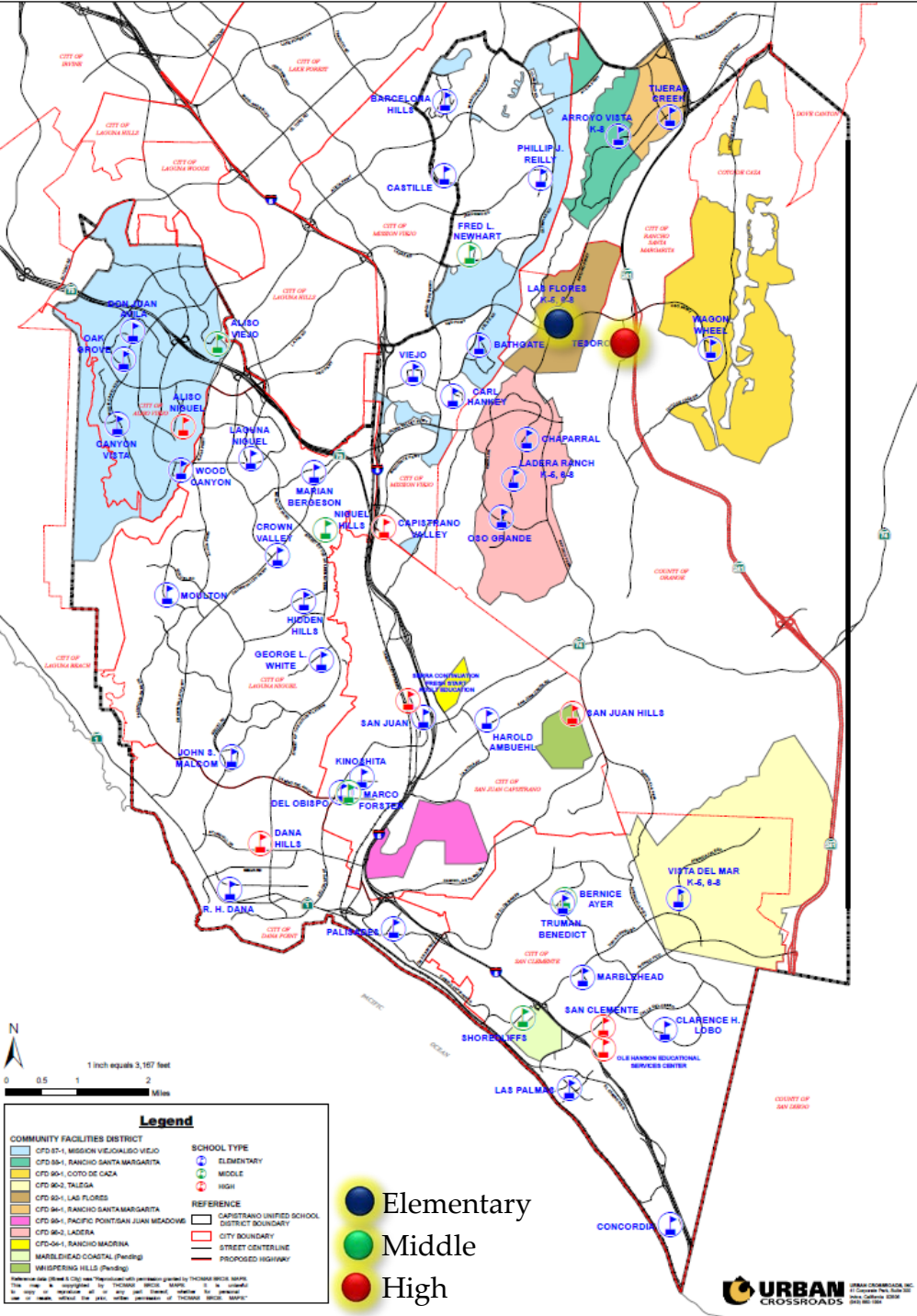
Any and all school sites and school facilities necessary to house students in grades kindergarten through 12

Any types of support facilities and sites, including, but not limited to, central administration, food services, maintenance/operations, transportation, related auxiliary functions, and certain roadway improvements

Inspecting the facilities, acquiring necessary equipment therefor, and fulfilling contractual commitments

Equipment and fulfilling contractual commitments
Lease payments for financings, if for authorized school facilities, as reasonably determined by the District

Any reference to "facilities" means the school facilities and the roadway facilities included within the JCFA



CFD No. 98-1A Pacifica San Juan

CFD Terms

Bond Maturity	N/A*
Tax Term	2044-2045

*CFD has no bonds issued.

Authorized Uses

Construction, purchase, modification, expansion, improvement or rehabilitation of school, both onsite and offsite, and all appurtenances and appurtenant work, all needed School Facilities to serve CFD No. 98-1A and mitigate development thereof, including, but not limited to, K-12 school sites

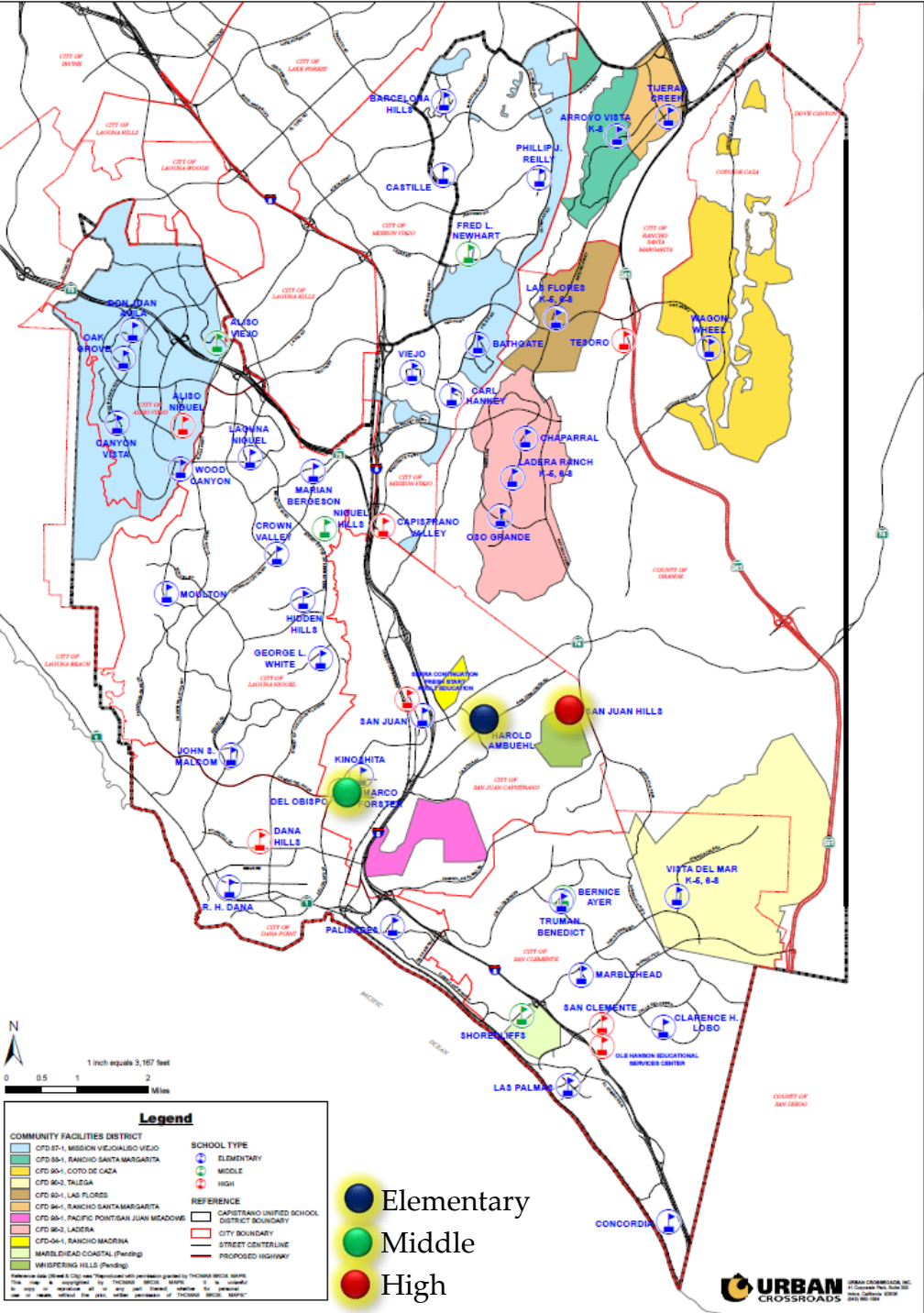
Furniture, equipment, and technology all land or interests in land

Transportation, central support, administration, interim housing and special education facilities, engineering, planning, and designing the school facilities

Lease payments or debt service for "Bonds" as defined in the Amended Mitigation Agreement (if the corresponding project list contains authorized Facilities), and also expenses related to the issuance and sale of any "debt" as defined in §53317(d) of the Mello-Roos Act

Any reference to "Facilities" means collectively, the school facilities, the City of San Juan Capistrano (City) facilities and the Capistrano Valley Water District (Water District) facilities included within the JCFA, including the Amended JCFA

Facilities also include: governmental facilities as well as storm drain, sewer, landscaping, curb and gutter, park, water, roadway, highway and bridge, traffic signals and safety lighting, flood control, libraries, police, fire and recreation facilities, and open space acquisition and improvements



CFD No. 2004-1 Rancho Madrina

CFD Terms

Bond Maturity	2034
Tax Term	2043-2044

Authorized Uses

Construction, purchase, modification, expansion, improvement, or rehabilitation of school facilities and ancillary support facilities of the District

Classrooms, multi-purpose, administration, and auxiliary space at a school and interim housing

Furniture, equipment, and technology

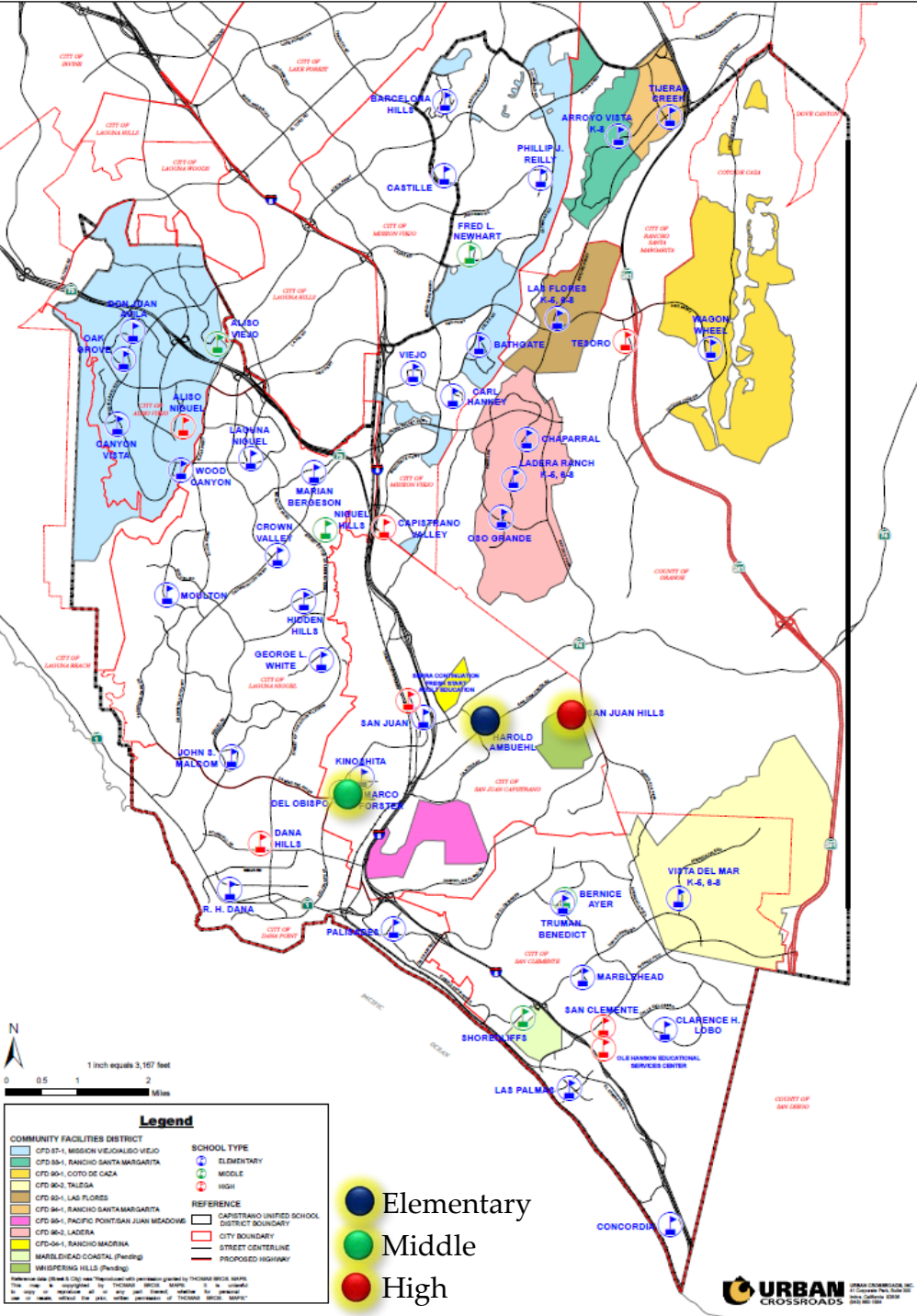
All land or interests in land

Central support and administrative facilities, transportation (including without limitation buses and vans) and special education facilities, including any incidental school administration and transportation center improvements

Engineering, planning, and designing the school facilities

Lease payments for financings, if for authorized school facilities, proportional to project students as reasonably determined by the District

Any reference to "Facilities" means the School Facilities and the City of San Juan Capistrano (City) facilities included within the JCFA



CFD No. 2005-1 Whispering Hills

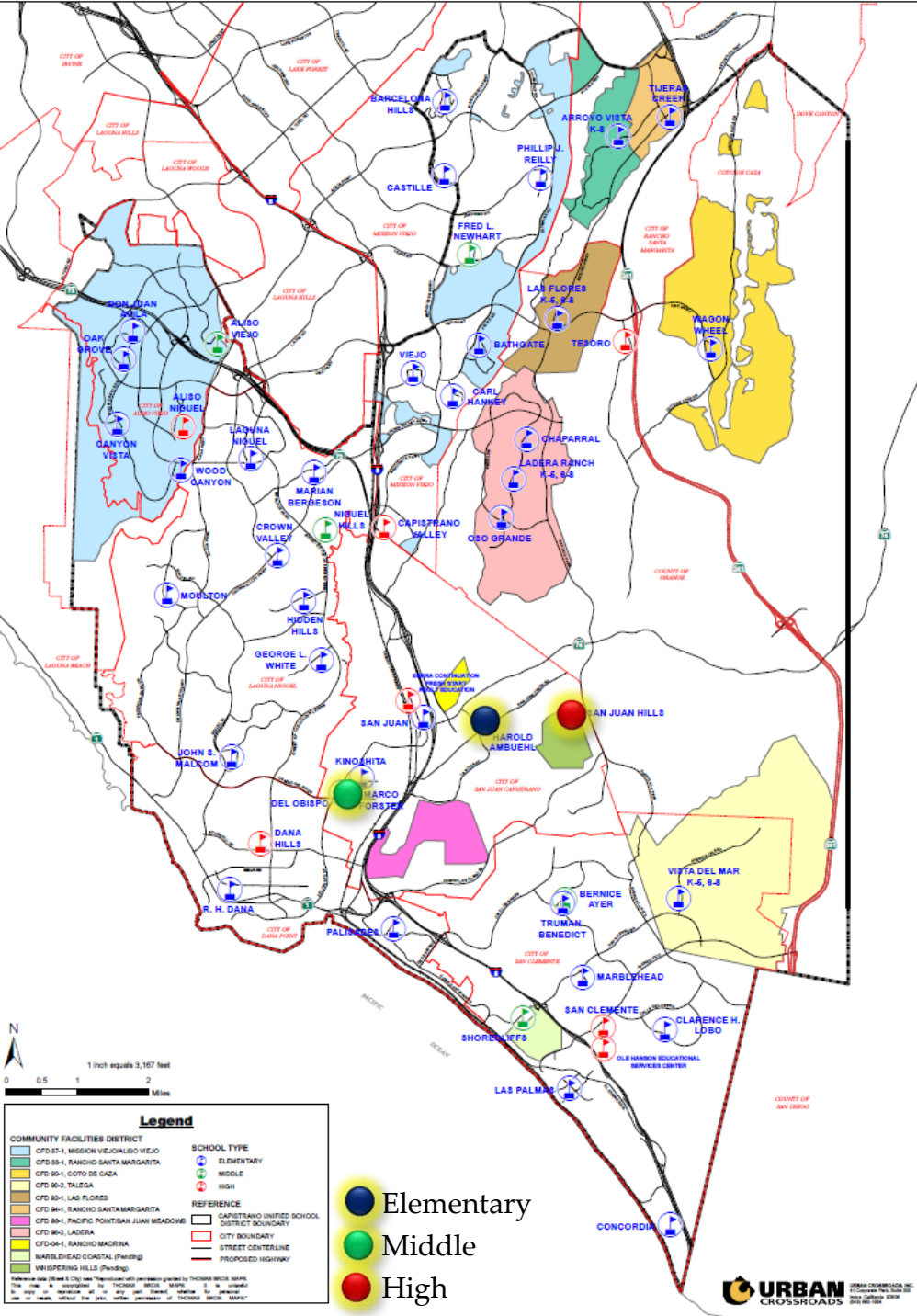
CFD Terms

Bond Maturity	2044
Tax Term	2043-2044

Authorized Uses

K-12 school sites and facilities (School Facilities) with a useful life of at least five (5) years, including classrooms, ancillary facilities, and on-site office space at such School Facilities; additionally, furniture, equipment, and technology with a useful life of at least five (5) years at such School Facilities, including modernization, rehabilitation, technology upgrades, acquisition of capacity in existing school facilities funded by other community facilities districts, consistent with applicable law, and as further described in the Resolution of Intention to Establish CFD No. 2005-1

Central support and administrative facilities, including lease rental payments therefor and reimbursement by Special Taxes of CFD No. 2005-1 of advance special tax funding from other community facilities districts as to proportionate allocations thereof, as well as interim housing and transportation facilities with a useful life of at least five (5) years; additionally, furniture, equipment, and technology with a useful life of at least five (5) years, all as further described in the Resolution of Intention to Establish CFD No. 2005-1



Mello-Roos Terminology

Types of Work

- Acquisition
- Planning
- Designing
- Constructing
- Modification
 - Additional space/portables
 - Altering existing space
 - Relocating portables
- Rehabilitation
 - Overhauling of the complete building or a major section of a building
 - Example: Roof replacement, artificial turf
- Improvements
 - Modernization
 - Examples: Fire Alarm Systems, updated lighting

Types of Items

- Classrooms, multi-purpose, and administration
- Auxiliary space at schools
- Central support and administrative facilities
- Interim housing
- Transportation
- Special Education facilities
- Landscaping
- Parking
- Multimedia facilities
- Furniture and related equipment

Questions?

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Addendum



Mello-Roos Act