

CAPISTRANO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT
No. 98-1A
(PACIFICA SAN JUAN)

August 3, 2015

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**ADMINISTRATION REPORT
FISCAL YEAR 2015-2016**

**CAPISTRANO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 98-1A**

PREPARED FOR

**CAPISTRANO UNIFIED SCHOOL DISTRICT
33122 Valle Road
San Juan Capistrano, California 92675**

PREPARED BY

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INTRODUCTION

This report provides an analysis of the financial and administrative obligations of Community Facilities District No. 98-1A ("CFD No. 98-1A") of the Capistrano Unified School District (the "School District").

CFD No. 98-1A is a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982 (the "Act"), as amended. The Act provides an alternative method for the financing of certain public capital facilities and services. Specifically, CFD No. 98-1A is authorized to issue up to \$45,000,000. In calculating the Annual Special Tax levy for Fiscal Year 2015-2016, the Report describes (i) the financial obligation of Fiscal Year 2015-2016 and (ii) the amount of new development which has occurred within the boundaries of the CFD.

A map showing the property in CFD No. 98-1A is included in Exhibit A.

This report is organized into the following sections:

Section I

Section I provides (i) a description of the Special Tax classifications and (ii) an update of the development activity occurring within CFD No. 98-1A.

Section II

Section II analyzes the fiscal year 2014-2015 special tax levy.

Section III

Section III determines the financial obligations of CFD No. 98-1A for fiscal year 2015-2016.

Section IV

Section IV reviews the methodology used to apportion the special tax requirement between Developed Property and Undeveloped Property. A table of the 2015-2016 special taxes for each classification of property is included.

I. SPECIAL TAX CLASSIFICATIONS AND DEVELOPMENT UPDATE

Special Tax Classifications

The methodology employed to calculate and apportion the special tax is contained in a document entitled the Amended and Restated Rate and Method of Apportionment of the Special Tax. The Amended and Restated Rate and Method of Apportionment defines five categories of taxable property, namely “Developed Property,” “Taxable Property Owner Association Property,” “Taxable Public Property,” “Taxable Religious Property,” and “Undeveloped Property.” The category of Developed Property is in turn divided into eight separate rate classifications which vary with land use (e.g., residential and non-residential) and dwelling unit type and size for residential development. A table of the Developed Property classifications is shown in Table 1 below.

**Table 1
Community Facilities District No. 98-1A
Developed Property Classifications**

Special Tax Class	Land Use	Square Footage
Class 1	Residential Property	4,300 s.f. or greater
Class 2	Residential Property	3,750 - 4,299 s.f.
Class 3	Residential Property	3,250 - 3,749 s.f.
Class 4	Residential Property	2,750 - 3,249 s.f.
Class 5	Residential Property	2,300 - 2,749 s.f.
Class 6	Residential Property	1,850 - 2,299 s.f.
Class 7	Residential Property	Less than 1,850 s.f.
Class 8	Non-Residential Property	Not Applicable

Developed Property is distinguished from Undeveloped Property by the issuance of a building permit. Specifically, property for which a building permit was issued as of January 1 will be classified as Developed Property in the following fiscal year. For example, all property in CFD No. 98-1A for which building permits were issued prior to January 1, 2015, will be classified as Developed Property in fiscal year 2015-2016. Hence, the development research discussed below focuses on the twelve month period ending January 1, 2015.

Development Update

CFD No. 98-1A encompasses approximately 222 gross acres of land located in the City of San Juan Capistrano. At buildout, CFD No. 98-1A is anticipated to include 416 residential units.

Background research was conducted to determine the amount and type of development activity that occurred during the previous fiscal year. Review of the City of San Juan Capistrano’s building permit records indicated that prior to January 1, 2015, building permits for 97 residential units had been

issued within CFD No. 98-1A. A total of 66.52 gross acres in the district are considered Undeveloped Property.

The table below lists the aggregate amount of Developed Property by special tax classification.

Table 2
Community Facilities District No. 98-1A
Cumulative Developed Property

Special Tax Class	Land Use	Square Footage	Number of Units/Acres
Class 1	Residential Property	4,300 s.f. or greater	0 Units
Class 2	Residential Property	3,750 - 4,299 s.f.	8 Units
Class 3	Residential Property	3,250 - 3,749 s.f.	35 Units
Class 4	Residential Property	2,750 - 3,249 s.f.	48 Units
Class 5	Residential Property	2,300 - 2,749 s.f.	6 Units
Class 6	Residential Property	1,850 - 2,299 s.f.	0 Units
Class 7	Residential Property	Less than 1,850 s.f.	0 Units
Class 8	Non-Residential Property	Not Applicable	0.00 Acres

II. FISCAL YEAR 2014-2015 SPECIAL TAX LEVY

The special tax levy for CFD No. 98-1A for fiscal year 2014-2015 equaled \$477,566. As of July 27, 2015, all \$477,566 in special taxes had been collected by the County.

III. FISCAL YEAR 2015-2016 SPECIAL TAX REQUIREMENT

Since bonds have not yet been issued for CFD No. 98-1A, the Assigned Special Tax is levied on Developed Property to pay for the direct construction funding for facilities eligible to be financed by CFD No. 98-1A and annual administrative expenses as provided for by the Amended and Restated Rate and Method of Apportionment for CFD No. 98-1A. For fiscal year 2015-2016, the School District has decided to limit the special tax levy on Developed Property to 1.00% of the Assigned Special Tax.

The total fiscal year 2015-2016 special tax requirement is equal to \$8,438. All \$8,438 is budgeted for annual administrative expenses.

IV. METHOD OF APPORTIONMENT

Maximum Special Taxes

The amount of special taxes that CFD No. 98-1A may levy is strictly limited by the maximum special taxes set forth in the Amended and Restated Rate and Method of Apportionment. The initial assigned special taxes for each classification of Developed Property are specified in Table 1 of Section C of the Amended and Restated Rate and Method of Apportionment¹. These special taxes escalate by two percent each fiscal year.

Apportionment of Special Taxes

The special tax that is apportioned to each parcel is determined through the application of Section D of the Amended and Restated Rate and Method of Apportionment. Section D apportions the special tax requirement in four steps which prioritize the order in which Developed Property and Undeveloped Property are taxed.

The first step states that the special tax shall be levied against each parcel of Developed Property at up to 100 percent of the assigned special tax. If the special taxes raised pursuant to the first step are less than the special tax requirement, then the second step is applied. The second step states that the special tax shall be levied against all parcels of Undeveloped Property at up to 100 percent of the applicable maximum special tax per acre.

The third and fourth steps are designed to accommodate changes in land use and are intended to be used only as a last resort. Since actual land uses have not substantially deviated from the original projections, these steps are not necessary.

Application of the maximum special taxes under the first step generates special tax revenues of \$843,801 from Developed Property. As stated earlier, since bonds have not been issued, the School District has decided to limit the fiscal year 2015-2016 special tax levy to 1.00 percent of the maximum special tax.

The fiscal year 2015-2016 special taxes for each classification of Developed Property are shown in Exhibit B. The Special Tax Roll which lists the actual special tax levied against each parcel of Developed Property is shown in Exhibit C.

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¹ Technically, Section C states that the maximum special tax for a parcel of Developed Property is equal to the greater of (i) the "Backup Special Tax" or (ii) the Assigned Special Tax. In this report, all discussion of maximum tax rates for Developed Property focuses on the Assigned Special Tax.

EXHIBIT A

**CFD No. 98-1A of the
Capistrano Unified School District**

Boundary Map

**Capistrano Unified School District
Community Facilities District No. 98-1A
(Pacifica San Juan)**



1994

Imagery Date: 4/16/2013 33°28'38.47" N 117°40'01.52" W elev 326 ft eye alt 5525 ft

EXHIBIT B

**CFD No. 98-1A of the
Capistrano Unified School District**

**Special Taxes
Fiscal Year 2015-2016**

EXHIBIT B

Community Facilities District No. 98-1A Fiscal Year 2015-2016 Special Taxes

Special Tax Class	Land Use	Square Footage	FY 2015-2016 Maximum Special Tax	FY 2015-2016 Actual Special Tax
Class 1	Residential Property	4,300 s.f. or greater	\$10,418.23 per unit	\$0.00 per unit
Class 2	Residential Property	3,750 - 4,299 s.f.	\$9,850.01 per unit	\$98.50 per unit
Class 3	Residential Property	3,250 - 3,749 s.f.	\$9,365.10 per unit	\$93.65 per unit
Class 4	Residential Property	2,750 - 3,249 s.f.	\$8,371.64 per unit	\$83.72 per unit
Class 5	Residential Property	2,300 - 2,749 s.f.	\$5,897.32 per unit	\$58.97 per unit
Class 6	Residential Property	1,850 - 2,299 s.f.	\$5,344.02 per unit	\$0.00 per unit
Class 7	Residential Property	Less than 1,850 s.f.	\$4,862.84 per unit	\$0.00 per unit
Class 8	Non-Residential Property	Not Applicable	\$0.4711 per square foot	\$0.0000 per square foot
NA	Undeveloped Property	Not Applicable	\$47,174.86 per acre	\$0.00 per acre

EXHIBIT C

**CFD No. 98-1A of the
Capistrano Unified School District**

**Special Tax Roll
Fiscal Year 2015-2016**

Exhibit C

CFD No. 98-1A of the Capistrano Unified School District

<u>Assessor's Parcel Number</u>	<u>FY 2015-2016 Special Tax</u>
675-085-40	\$98.50
675-085-42	\$93.65
675-085-43	\$83.72
675-085-44	\$83.72
675-411-01	\$93.65
675-411-02	\$83.72
675-411-03	\$93.65
675-411-04	\$83.72
675-411-05	\$93.65
675-411-06	\$83.72
675-411-07	\$83.72
675-411-08	\$83.72
675-411-09	\$83.72
675-411-10	\$83.72
675-411-11	\$83.72
675-411-12	\$83.72
675-411-13	\$83.72
675-411-14	\$83.72
675-411-15	\$83.72
675-411-16	\$83.72
675-411-17	\$83.72
675-411-18	\$93.65
675-411-19	\$93.65
675-411-20	\$83.72
675-411-21	\$93.65
675-411-22	\$83.72
675-411-23	\$83.72
675-411-24	\$93.65
675-411-25	\$93.65
675-411-26	\$83.72
675-411-27	\$83.72
675-411-28	\$93.65
675-411-29	\$83.72
675-411-30	\$93.65
675-411-31	\$83.72
675-411-32	\$93.65
675-411-33	\$93.65
675-411-34	\$83.72
675-411-35	\$83.72
675-411-36	\$93.65
675-411-37	\$93.65
675-411-38	\$93.65
675-411-39	\$83.72

Exhibit C

CFD No. 98-1A of the Capistrano Unified School District

<u>Assessor's Parcel Number</u>	<u>FY 2015-2016 Special Tax</u>
675-411-40	\$93.65
675-411-41	\$93.65
675-411-42	\$83.72
675-411-43	\$83.72
675-411-44	\$93.65
675-411-45	\$93.65
675-411-46	\$83.72
675-411-47	\$93.65
675-411-48	\$83.72
675-411-49	\$93.65
675-411-50	\$93.65
675-411-51	\$83.72
675-411-52	\$83.72
675-411-53	\$83.72
675-411-54	\$93.65
675-411-55	\$83.72
675-411-56	\$83.72
675-411-57	\$93.65
675-411-58	\$93.65
675-411-59	\$83.72
675-411-60	\$83.72
675-411-61	\$83.72
675-411-62	\$83.72
675-411-63	\$83.72
675-411-64	\$83.72
675-411-65	\$83.72
675-411-66	\$83.72
675-411-67	\$83.72
675-411-68	\$83.72
675-411-69	\$93.65
675-411-70	\$93.65
675-421-01	\$98.50
675-421-02	\$93.65
675-421-03	\$98.50
675-421-04	\$58.97
675-421-05	\$93.65
675-421-06	\$98.50
675-431-01	\$98.50
675-431-02	\$93.65
675-431-03	\$58.97
675-431-04	\$93.65
675-431-05	\$58.97
675-431-06	\$83.72

Exhibit C

CFD No. 98-1A of the Capistrano Unified School District

<u>Assessor's Parcel Number</u>	<u>FY 2015-2016 Special Tax</u>
675-431-07	\$83.72
675-431-08	\$93.65
675-431-09	\$58.97
675-431-10	\$98.50
675-431-11	\$58.97
675-431-12	\$93.65
675-431-13	\$98.50
675-431-14	\$58.97
675-431-15	\$83.72
675-431-16	\$98.50
675-431-17	\$93.65
Total FY 2015-2016 Special Tax Levy	\$8,438.13
Total Number of Parcels Taxed	97