

DATE ISSUED: December 20, 2002

REPORT NO. 02-297

ATTENTION: Honorable Mayor and City Council

SUBJECT: Annual Reports Pursuant to the Local Agency Special Tax and Bond
Accountability Act.

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF
THE CITY COUNCIL.

BACKGROUND

The Local Agency Special Tax and Bond Accountability Act (the "Act") was enacted by the California State Legislature to provide accountability measures associated with a local agency's adoption of voter approved special taxes and certain forms of bonded indebtedness. The Act requires that any local special tax or bond measure subject to voter approval shall provide accountability measures that include:

1. A statement indicating the specific purposes of the special tax or bond;
2. A requirement that the proceeds of the special tax or bond be applied to those specific identified purposes;
3. The creation of an account into which the proceeds shall be deposited; and
4. An annual report containing specified information concerning the use of the proceeds.

At present, the City of San Diego has two Community Facilities Districts that fall under the provisions of the Act; Community Facilities District No. 3 (Liberty Station) and Community Facilities District No. 4 (Black Mountain Ranch Villages).

DISCUSSION

Previous Council actions, public hearings, and elections have formally established the aforementioned districts, authorized the levy of special taxes, and authorized the issuance of special tax bonds to finance the acquisition of certain necessary public improvements. The documents associated with those actions fulfill, or provide for, satisfaction of the first three requirements referenced above. The purpose of this Manager’s Report is to comply with the Annual Report requirements (No. 4, above) of the Act as they pertain to Community Facilities Districts No. 3 and No. 4. Accordingly, the following information is presented:

**COMMUNITY FACILITIES DISTRICT NO. 3
(Liberty Station)**

**Annual Report
Pursuant to the Local Agency Special Tax and Bond Accountability Act**

Pursuant to Ordinance No. O-19078 and Resolution Nos. R-296710 and R-296742 (the “Authorizing Documents”), Community Facilities District No. 3 (Liberty Station) was established and authorized to issue up to \$30 million of special tax bonds and to levy special taxes to pay debt service on the bonds and/or to directly pay for the acquisition of certain public facilities.

Special Taxes

In accordance with Government Code Section 50075.3, the following information is presented for the fiscal year ending June 30, 2002:

- (a) The amount of funds collected and expended – None; special taxes are not anticipated to be levied until August 2004.
- (b) The status of any project required or authorized to be funded – Construction of the projects identified in the Authorizing Documents has not yet commenced.

Local Bond Measure (Special Tax Bonds)

In accordance with Government Code Section 53411, the following information is presented for the fiscal year ending June 30, 2002:

- (a) The amount of funds collected and expended – None; special tax bonds are not anticipated to be issued until September 2003.
- (b) The status of any project required or authorized to be funded – Construction of the projects identified in the Authorizing Documents has not yet commenced.

**COMMUNITY FACILITIES DISTRICT NO. 4
(Black Mountain Ranch Villages)**

**Annual Report
Pursuant to the Local Agency Special Tax and Bond Accountability Act**

Pursuant to Ordinance No. O-19090 and Resolution Nos. R-294259, R-294260, and R-296893 (the “Authorizing Documents”), Community Facilities District No. 4 (Black Mountain Ranch Villages) was established and authorized to issue up to \$30 million of special tax bonds and to levy special taxes to pay debt service on the bonds and/or to directly pay for the acquisition of certain public facilities.

Special Taxes

In accordance with Government Code Section 50075.3, the following information is presented for the fiscal year ending June 30, 2002:

- (a) The amount of funds collected and expended – None; special taxes are not anticipated to be levied until August 2004.
- (b) The status of any project required or authorized to be funded – Construction of the projects identified in the Authorizing Documents has not yet commenced.

Local Bond Measure (Special Tax Bonds)

In accordance with Government Code Section 53411, the following information is presented for the fiscal year ending June 30, 2002:

- (a) The amount of funds collected and expended – None; special tax bonds are not anticipated to be issued until February 2004.
- (b) The status of any project required or authorized to be funded – Construction of the projects identified in the Authorizing Documents has not yet commenced.

Respectfully submitted,

Mary Vattimo
City Treasurer

Approved: Patricia T. Frazier
Deputy City Manager

VATTIMO/CW