

SWEETWATER UNION HIGH SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICTS UPDATE

DETERMINING THE STATUS OF FUNDING A CFD OBLIGATION AND SETTING THE ANNUAL SPECIAL TAX RATE FOR FISCAL YEAR 2023/24

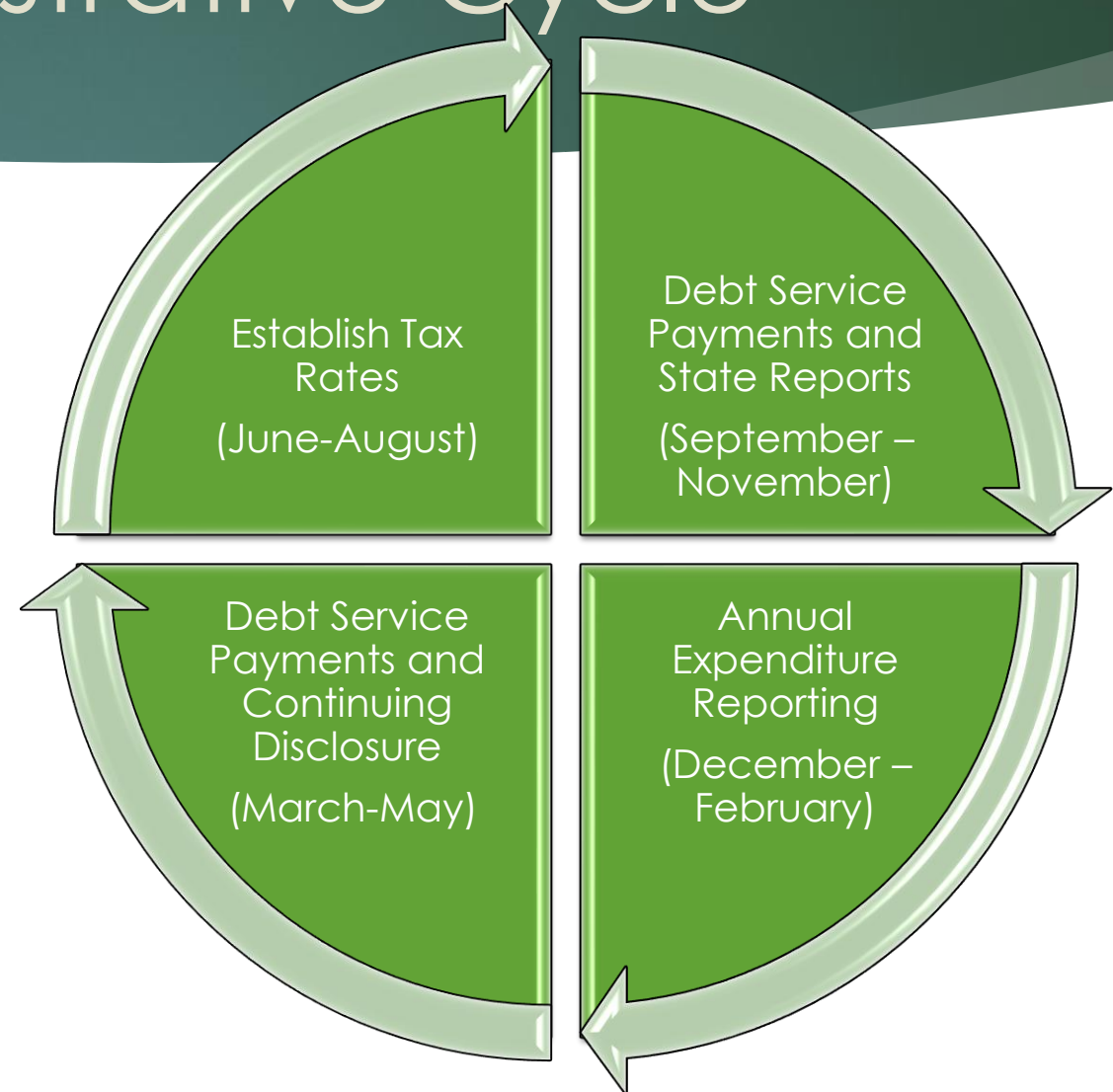
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JULY 10, 2023

Annual Administrative Cycle

The annual
Community Facilities
Districts (CFDs)
administrative cycle
continues year-round.



Projected Fiscal Year 2023/24 Levied Dwelling Units (“DUs”)

Community Facilities District	A Fiscal Year 2022/23 Taxable DUs	B C D E Difference in Levied Dwelling Units FY 2022/23 to Projected FY 2023/24				F Projected FY 2023/24 Taxable DUs
		Term Ended	Prepaid FY 2022/23	New DUs	Net Difference	
		1 - Eastlake	5,005	(311)	0	
2 - Bonita Long Canyon	0	0	0	0	0	0
3 - Rancho Del Rey	1,166	(605)	0	1	(604)	562
4 - Sunbow	1,503	(4)	0	0	(4)	1,499
5 - Annexable	135	(12)	0	0	(12)	123
6 - Village Development	3,477	0	0	0	0	3,477
8 - Coral Gate	499	(152)	0	0	(152)	347
9 - A/B - Ocean View/Denney Ranch	2,602	(59)	0	51	(8)	2,594
10 - Annexable	2,296	0	0	0	0	2,296
11 - Lomas Verde	2,220	0	0	0	0	2,220
12 - Village One West	909	0	0	0	0	909
13 - San Miguel Ranch	1,312	0	0	0	0	1,312
14 - Village 11	2,051	0	0	0	0	2,051
15 - Village 6	1,537	0	0	0	0	1,537
16 - Village 7	759	0	0	0	0	759
17 - Portions of Villages 2 and 7	2,053	0	0	5	5	2,058
18 - Millenia	885	0	0	0	0	885
19 - IA 1/2 - PA12 and Portion of V2	1,657	0	0	27	27	1,684
20 - Village 3 North	948	0	0	0	0	948
Total	31,014	(1,143)	0	84	(1,059)	29,955

Setting the Annual Special Tax Rates: Methodology Summary

Evaluation of New Construction Obligation in Seats

Obligation (Dwelling Units x Student Generation Rate)

Seats Funded through Principal Paid from Debt and Pay Go



Evaluation of Capital Projects that Extend the Useful Life Obligation

Obligation (Projected Students x Cost per Student)

Capital Projects Funded through Pay Go



Determination of Special Tax Requirement for Fiscal Year 2023/24

Unfunded New Construction + Unfunded Capital Projects that
Extend the Useful Life

Setting of Maximum and Actual Special Tax Rates per CFD

Methodology of New Construction Obligation: Determined in Seats

Example from CFD No. 3

Dwelling Unit Type	Single Family Detached	Single Family Attached	Multi-Family (Apartments)	Total/ Average
Expected Dwelling Units at Buildout	2,730	645	540	3,915
Number of Students per Home (SGR)				
Middle School	0.1156	0.0874	0.0748	0.1037
High School	0.2484	0.1631	0.1481	0.2150
Projected Students/ New Construction Obligation				
Middle School	316	56	40	412
High School	678	105	80	863

New Construction Obligation & Funding: Summary by CFD*

CFD No.	A	B	C	D	E	F	G
	Projected Students		Funded Seats		Unfunded Seats		Cost of Unfunded Seat Obligation
	Middle School	High School	Middle	High	Middle	High	
1	1,002	2,073	872	1,880	129	193	\$64,197,771
2	49	105	49	105	0	0	\$0
3	412	863	310	652	102	211	\$63,161,770
4	301	612	159	313	141	299	\$88,995,886
5	107	224	90	167	17	57	\$15,175,939
6	410	856	288	569	123	287	\$83,186,685
8	0	124	0	49	0	75	\$16,162,210
9A	0	774	0	230	0	544	\$116,554,979
9B	112	0	17	0	94	0	\$16,600,367
10	0	498	0	311	0	187	\$40,172,684
11	222	456	178	360	44	96	\$28,264,826
12	105	226	77	154	28	72	\$20,358,639
13	140	290	87	188	53	102	\$31,319,581
14	238	949	156	783	82	166	\$50,032,391
15	144	285	92	190	52	95	\$29,480,613
16	82	170	81	164	0	6	\$1,290,709
17	260	529	107	213	153	316	\$94,615,021
18	219	429	22	45	197	384	\$116,963,607
19	264	526	39	81	225	445	\$135,130,714
20	132	274	41	83	91	191	\$56,893,077
Total	4,199	10,263	2,665	6,537	1,531	3,726	\$1,068,557,469

Capital Projects that Extend the Useful Life Obligation: Summary by CFD*

CFD No.	A	B	C	D	E
	Projected Students			Cost of Projects to Extend Life	Remaining Obligation
	Middle School	High School	Total		
1	1,002	2,073	3,075	\$259,261,616	\$220,648,259
2	49	105	154	\$13,001,612	\$12,235,089
3	412	863	1,275	\$107,611,010	\$99,309,474
4	301	612	912	\$76,874,423	\$73,939,521
5	107	224	331	\$27,927,822	\$25,420,513
6	410	856	1,266	\$106,812,563	\$100,981,667
8	0	124	124	\$11,051,649	\$8,644,257
9A	0	774	774	\$69,003,784	\$60,653,490
9B	112	0	112	\$8,300,083	\$8,299,459
10	0	498	498	\$44,420,750	\$39,520,573
11	222	456	678	\$57,156,011	\$55,331,955
12	105	226	331	\$27,939,635	\$26,735,286
13	140	290	430	\$36,265,193	\$30,460,847
14	238	494	732	\$61,710,534	\$59,041,973
15	144	285	430	\$36,161,346	\$35,036,652
16	82	170	252	\$21,214,383	\$20,010,033
17	260	529	789	\$66,467,683	\$63,392,418
18	219	429	648	\$54,511,640	\$53,943,161
19	264	526	790	\$66,529,028	\$65,992,545
20	132	274	406	\$34,230,260	\$33,736,048
Total/ Average**	4,199	9,808	14,007	\$1,186,451,025	\$1,093,333,220

* The above figures have not been rounded which may affect totals.

** The Total/Average has been adjusted to use the sum of the obligation per dwelling unit for CFD 9A and CFD 9B.

Verifying the Need for the Special Taxes: Outstanding Obligation by CFD to June 30, 2024*

* These figures have not been rounded which may affect totals.

CFD No.	A	B	C
	Cost of Projects to Extend Life	Funded Cost of Projects to Extend Life	Remaining Obligation
1	\$64,197,771	\$220,648,259	\$284,846,030
2	\$0	\$12,235,089	\$12,235,089
3	\$63,161,770	\$99,309,474	\$162,471,244
4	\$88,995,886	\$73,939,521	\$162,935,407
5	\$15,175,939	\$25,420,513	\$40,596,452
6	\$83,186,685	\$100,981,667	\$184,168,352
8	\$16,162,210	\$8,644,257	\$24,806,467
9A	\$116,554,979	\$60,653,490	\$177,208,469
9B	\$16,600,367	\$8,299,459	\$24,899,826
10	\$40,172,684	\$39,520,573	\$79,693,257
11	\$28,264,826	\$55,331,955	\$83,596,781
12	\$20,358,639	\$26,735,286	\$47,093,925
13	\$31,319,581	\$30,460,847	\$61,780,428
14	\$50,032,391	\$59,041,973	\$109,074,364
15	\$29,480,613	\$35,036,652	\$64,517,265
16	\$1,290,709	\$20,010,033	\$21,300,742
17	\$94,615,021	\$63,392,418	\$158,007,439
18	\$116,963,607	\$53,943,161	\$170,906,768
19	\$135,130,714	\$65,992,545	\$201,123,259
20	\$56,893,077	\$33,736,048	\$90,629,125
Total	\$1,068,557,469	\$1,093,333,220	\$2,161,890,689

Verifying the Need for the Special Taxes: Projected Fund Balance June 30, 2024

Description	Amount
Beginning Fund Balance 6/30/2022	\$197,365,473.28
Special Taxes/Penalties Collected	\$30,159,501.03
Interest Earned/Misc. Revenue	\$1,853,475.61
Projected Debt Service Paid	(\$11,075,725.07)
Projected Administrative Charges	(\$615,788.77)
Projected Construction Oversight Cost	(\$411,222.62)
Projected Pay Go Project Expenditures	(\$11,827,885.00)
Net Increase/Decrease in Fair Market Value	\$5,013,001.00
Projected Ending Fund Balance 6/30/2023	\$210,460,829.46
Recommended Special Tax Levy 2023/24	\$30,909,773.00
Expected Interest Earned/Misc. Revenue	\$2,130,000.00
Budgeted Debt Service Paid	(\$10,933,100.00)
Budgeted Administrative Charges	(\$615,392.82)
Budgeted Construction Oversight Cost	(\$563,529.67)
Budgeted Pay Go Project Expenditures *	(\$53,927,398.02)
Projected Ending Fund Balance 6/30/2024	\$177,461,181.95

* The amount show here reflects the expenditure of 30% of the overall budget for the expansion Olympian High School in FY 2023/24.

Unfunded Obligation less Fund Balance

CFD No.	A	B	C
	Cost of Unfunded Obligation	Projected Fund Balance June 30, 2024	Remaining Unfunded Obligation
1	\$284,846,030	\$22,586,565	\$262,259,465
2*	\$12,235,089	\$1,466,634	\$10,768,455
3	\$162,471,244	\$10,353,118	\$152,118,126
4	\$162,935,407	\$10,063,323	\$152,872,084
5	\$40,596,452	\$2,664,632	\$37,931,820
6	\$184,168,352	\$18,444,983	\$165,723,369
8	\$24,806,467	\$0	\$24,806,467
9A	\$177,208,469	\$11,358,778	\$165,849,691
9B	\$24,899,826	\$4,742,973	\$20,156,853
10	\$79,693,257	\$13,364,058	\$66,329,199
11	\$83,596,781	\$12,239,902	\$71,356,879
12	\$47,093,925	\$5,394,823	\$41,699,102
13	\$61,780,428	\$1,255,824	\$60,524,604
14	\$109,074,364	\$11,721,719	\$97,352,645
15	\$64,517,265	\$6,624,909	\$57,892,356
16	\$21,300,742	\$5,851,814	\$15,448,928
17	\$158,007,439	\$14,216,647	\$143,790,792
18	\$170,906,768	\$12,563,043	\$158,343,725
19	\$201,123,259	\$5,731,329	\$195,391,930
20	\$90,629,125	\$6,816,108	\$83,813,017
Total**	\$2,161,890,689	\$177,461,182	\$1,984,429,507

* The term of the Special Tax for CFD 2 has ended. The fund balance will be used to fund Capital Projects that Extend the Useful Life.

** Totals may not sum due to rounding and excludes debt proceeds and formation deposits.

Setting the Annual Special Tax Rate by Resolution:

County Requirements:

- ▶ The County of San Diego requires a Resolution be adopted annually to allow for the application of the Special Taxes onto the property tax bill.
- ▶ The deadline for application and resubmittal of any rejected charge is August 10, 2023.

Resolution Purposes:

- ▶ Establishes the maximum Special Tax rate for properties in which the first or initial fiscal year of taxation is Fiscal Year 2023/24, and for existing developed properties which were taxed in previous years.
- ▶ Establishes the actual Special Tax, as a percentage of the maximum rate, to be levied in Fiscal Year 2023/24 for each CFD.

Staff Recommendations: Fiscal Year 2023/24 Special Tax Rates

Staff recommends the same categories be utilized for setting the Special Tax rates for the 2023/24 Fiscal Year as those applied in Fiscal Years 2016/17 through 2022/23.

- 1) **For CFDs that have fully funded their New Construction Obligation, no indexing be applied to the current Special Tax rates.** (No Escalation) For Fiscal Year 2023/24, no CFDs fall into this category as CFD No. 2 is no longer levied.
- 2) **For CFDs that have not fully funded their New Construction Obligation, apply a 2% escalation to current Special Tax rates as follows.** This would be applied to the remaining CFDs as follows: CFD Nos. 1, 3, 4, 5, 6, 8, 9A, 9B, 10, 11, 12, 13, 14, 15 and 16 would be taxed at 98.04% of the maximum and CFD Nos. 17, 18, 19 IA1, 19 IA2 and 20 would be taxed at 100% of the maximum.



Questions

