

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 2024/25

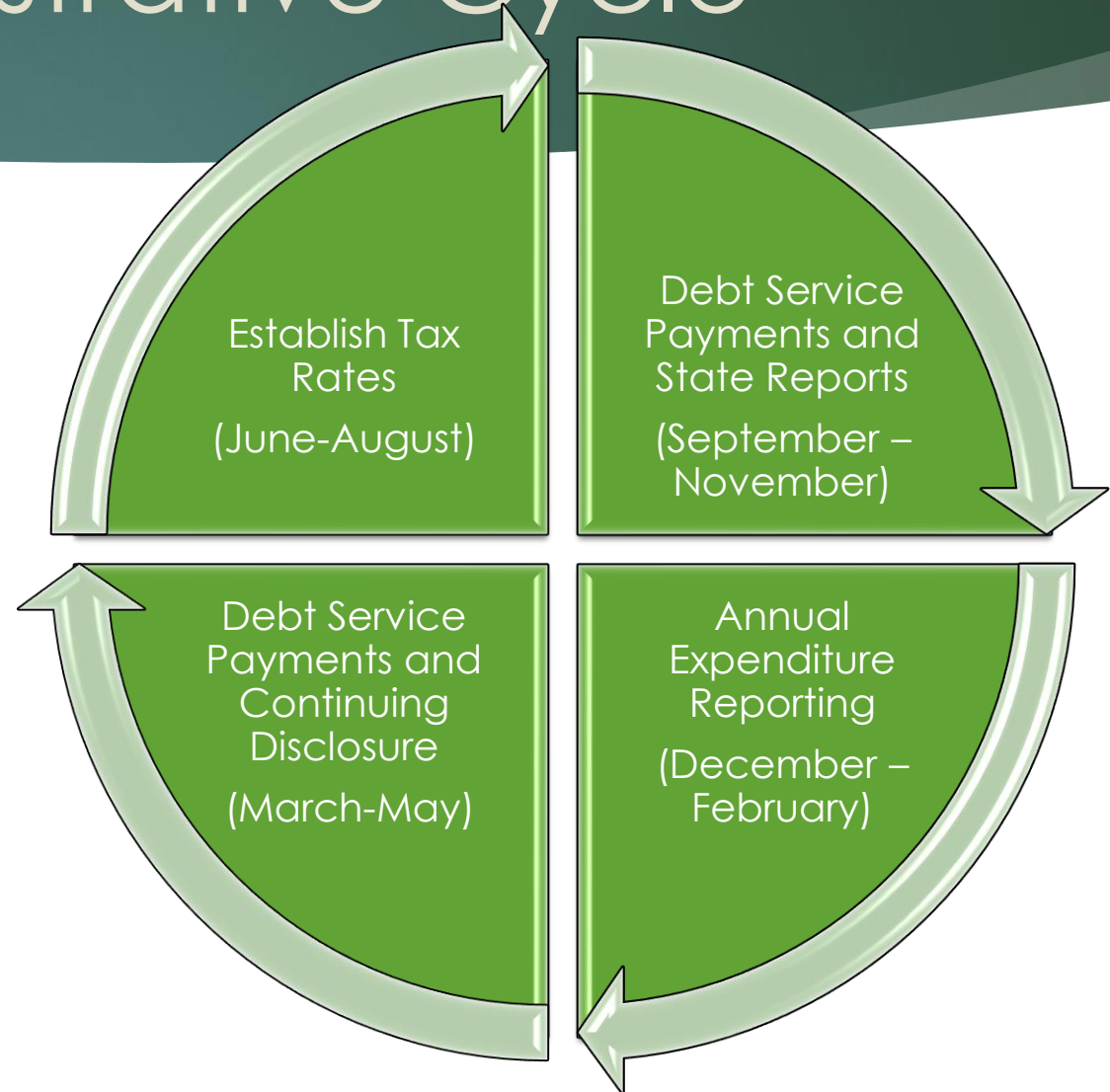
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JULY 8, 2024

Annual Administrative Cycle

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



Projected Fiscal Year 2024/25 Levied Dwelling Units (“DUs”)

Community Facilities District	A Fiscal Year 2023/24 Taxable DUs	B C D E Difference in Levied Dwelling Units FY 2023/24 to Projected FY 2024/25				F Projected FY 2024/25 Taxable DUs
		Term Ended	Prepaid FY 2023/24	New DUs	Net Difference	
		1 - Eastlake	4,692	(325)	0	
2 - Bonita Long Canyon	0	0	0	0	0	0
3 - Rancho Del Rey	560	(412)	0	0	(412)	148
4 - Sunbow	1,499	(171)	0	302	131	1,630
5 - Annexable	123	(57)	0	0	(57)	66
6 - Village Development	3,633	(412)	0	0	(412)	3,221
8 - Coral Gate	347	(239)	0	0	(239)	108
9 - A/B - Ocean View/Dennery Ranch	2,594	(343)	0	0	(343)	2,251
10 - Annexable	2,296	(28)	0	0	(28)	2,268
11 - Lomas Verde	2,220	(665)	0	0	(665)	1,555
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	2,063	0	0	35	35	2,098
18 - Millenia	885	0	(328)	328	0	885
19 - IA 1/2 - PA12 and Portion of V2	1,770	0	0	0	0	1,770
20 - Village 3 North	948	0	0	0	0	948
Total	30,198	(2,652)	(328)	665	(2,315)	27,883

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 2024/25

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. 11

Dwelling Unit Type	Single Family Detached	Single Family Attached	Multi-Family (Apartments)	Total/Average
Expected Dwelling Units at Buildout	1,181	599	440	2,220
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	137	52	33	222
High School	293	98	65	456

Projected New Construction Obligation & Funding: Summary*

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	911	1,964	91	109	\$39,486,265
2	49	105	49	105	0	0	\$0
3	412	863	319	672	93	191	\$57,809,039
4	302	616	167	333	135	283	\$85,055,182
5	107	224	92	169	15	55	\$14,440,792
6	410	856	304	616	106	240	\$70,471,285
8	0	124	0	52	0	72	\$15,507,624
9A	0	787	0	252	0	535	\$115,294,925
9B	112	0	18	0	93	0	\$16,520,189
10	0	538	0	340	0	198	\$42,644,619
11	222	456	189	397	33	59	\$18,615,687
12	105	226	82	167	23	59	\$16,745,403
13	140	290	93	204	47	86	\$26,864,306
14	238	494	168	370	70	124	\$39,074,755
15	144	285	99	215	46	71	\$23,310,948
16	82	170	88	187	-6	-17	\$0
17	256	520	119	250	137	270	\$82,640,795
18	235	461	27	63	208	398	\$112,777,023
19	264	526	49	114	215	412	\$126,961,124
20	132	274	49	110	83	164	\$50,012,055
Total	4,212	9,888	2,823	6,580	1,389	3,309	\$954,232,016

* Based on the current Fiscal Year 2024/2025 Budget Allocations. Budget allocation may be adjusted once actuals are known to ensure no CFD "overfunds" their obligation.

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	\$261,145,871	\$222,601,162
2	49	105	154	\$13,096,105	\$11,862,125
3	412	863	1,275	\$108,393,102	\$99,037,626
4	302	616	912	\$77,963,959	\$73,461,798
5	107	224	331	\$28,130,796	\$25,794,329
6	410	856	1,266	\$107,588,852	\$99,418,791
8	0	124	124	\$11,131,969	\$8,448,462
9A	0	787	787	\$70,662,467	\$62,266,402
9B	112	0	112	\$8,360,406	\$8,357,232
10	0	538	538	\$48,317,664	\$43,418,429
11	222	456	678	\$57,571,408	\$55,008,468
12	105	226	331	\$28,142,694	\$25,946,363
13	140	290	430	\$36,528,760	\$30,135,361
14	238	494	732	\$62,159,032	\$58,613,943
15	144	285	430	\$36,424,159	\$34,756,197
16	82	170	252	\$21,368,565	\$19,962,983
17	256	520	776	\$65,867,153	\$60,849,807
18	235	461	696	\$59,044,973	\$58,338,941
19	264	526	790	\$67,012,546	\$65,490,691
20	132	274	406	\$34,479,038	\$33,237,125
Total/ Average**	4,212	9,888	14,095	\$1,203,389,519	\$1,097,006,235

* 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:

Projected Outstanding Obligation by CFD to June 30, 2025*

* 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	\$39,486,265	\$222,601,162	\$262,087,427
2	\$0	\$11,862,125	\$11,862,125
3	\$57,809,039	\$99,037,626	\$156,846,665
4	\$85,055,182	\$73,461,798	\$158,516,980
5	\$14,440,792	\$25,794,329	\$40,235,121
6	\$70,471,285	\$99,418,791	\$169,890,076
8	\$15,507,624	\$8,448,462	\$23,956,086
9A	\$115,294,925	\$62,266,402	\$177,561,327
9B	\$16,520,189	\$8,357,232	\$24,877,421
10	\$42,644,619	\$43,418,429	\$86,063,048
11	\$18,615,687	\$55,008,468	\$73,624,155
12	\$16,745,403	\$25,946,363	\$42,691,766
13	\$26,864,306	\$30,135,361	\$56,999,667
14	\$39,074,755	\$58,613,943	\$97,688,698
15	\$23,310,948	\$34,756,197	\$58,067,145
16	\$0	\$19,962,983	\$19,962,983
17	\$82,640,795	\$60,849,807	\$143,490,602
18	\$112,777,023	\$58,338,941	\$171,115,964
19	\$126,961,124	\$65,490,691	\$192,451,815
20	\$50,012,055	\$33,237,125	\$83,249,180
Total	\$954,232,016	\$1,097,006,235	\$2,051,238,251

**Verifying the Need for the
Special Taxes:
Projected Fund Balance
June 30, 2025**

Description	Amount
Beginning Fund Balance 6/30/2023	\$206,026,985.00
Special Taxes/Penalties Collected	\$31,064,721.48
Interest Earned/Misc. Revenue	\$4,500,000.00
Projected Debt Service Paid	(\$10,933,100.00)
Projected Administrative Charges	(\$1,011,134.40)
Projected Construction Oversight Cost	(\$452,589.55)
Projected Pay Go Project Expenditures	(\$16,869,815.03)
Projected Ending Fund Balance 6/30/2024	\$212,325,067.50
Recommended Special Tax Levy 2024/25	\$30,127,375.16
Expected Interest Earned/Misc. Revenue	\$2,100,000.00
Budgeted Debt Service Paid	(\$10,336,475.00)
Budgeted Administrative Charges	(\$708,851.00)
Budgeted Construction Oversight Cost	(\$621,642.00)
Budgeted Pay Go Project Expenditures	(\$68,328,547.27)
Projected Ending Fund Balance 6/30/2025	\$164,556,927.39

Unfunded Obligation less Fund Balance

CFD No.	A	B	C
	Projected Cost of Unfunded Obligation June 30, 2025	Projected Fund Balance June 30, 2025	Remaining Unfunded Obligation
1	\$262,087,427	\$22,586,565	\$239,500,862
2*	\$11,862,125	\$1,466,634	\$10,395,491
3	\$156,846,665	\$10,353,118	\$146,493,547
4	\$158,516,980	\$10,063,323	\$148,453,657
5	\$40,235,121	\$2,664,632	\$37,570,489
6	\$169,890,076	\$18,444,983	\$151,445,093
8	\$23,956,086	\$0	\$23,956,086
9A	\$177,561,327	\$11,358,778	\$166,202,549
9B	\$24,877,421	\$4,742,973	\$20,134,448
10	\$86,063,048	\$13,364,058	\$72,698,990
11	\$73,624,155	\$12,239,902	\$61,384,253
12	\$42,691,766	\$5,394,823	\$37,296,943
13	\$56,999,667	\$1,255,824	\$55,743,843
14	\$97,688,698	\$11,721,719	\$85,966,979
15	\$58,067,145	\$6,624,909	\$51,442,236
16	\$19,962,983	\$5,851,814	\$14,111,169
17	\$143,490,602	\$14,216,647	\$129,273,955
18	\$171,115,964	\$12,563,043	\$158,552,921
19	\$192,451,815	\$5,731,329	\$186,720,486
20	\$83,249,180	\$6,816,108	\$76,433,072
Total**	\$2,051,238,251	\$177,461,182	\$1,873,777,069

* 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, 2024.

Resolution Purposes:

- ▶ Establishes the maximum Special Tax rate for properties in which the first or initial fiscal year of taxation is Fiscal Year 2024/25, 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 2024/25 for each CFD.

Staff Recommendations: Fiscal Year 2024/25 Special Tax Rates

Staff recommends the same categories be utilized for setting the Special Tax rates for the 2024/25 Fiscal Year as those applied in Fiscal Years 2016/17 through 2023/24.

- 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 2024/25, 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

