

CITY OF CARSON

Fiscal Year 2020/21 Annual Report For:

**Community Facilities District No. 2018-1
(Maintenance and Services)**

January 2021

Prepared by:



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1. DISTRICT ANALYSIS

1.1 Community Facilities District No. 2018-01 (Maintenance and Services)

The City of Carson (the “City”) formed Community Facilities District No. 2018-01 (Maintenance and Services) (the “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”) in 2018 to fund certain municipal services associated with new industrial and multi-family residential developments. The services consist of, but are not limited to: law enforcement services, street sweeping/sidewalk cleaning and maintenance, maintenance of parks, parkways, and open space, maintenance of roadways, flood and storm protection services, and other eligible services permitted by the Act to service properties within the boundaries of the CFD.

The CFD was originally formed with one parcel in Tax Zone 1 and Annexation No. 1 occurred in May of 2019 to add five parcels to Tax Zone 2. In 2020 there were two more annexations; Annexation No. 2 which added two parcels to Tax Zone 3 and Annexation No. 3 which added one parcel to Tax Zone 5. There are currently no parcels within Tax Zone 4. No bonds were issued for the CFD and the special tax is projected to be levied in perpetuity.

1.2 Levy

The City levied the Fiscal Year 2020/21 special tax on five parcels for a total of \$47,444.52. Once a building permit is issued for a parcel within the CFD, the parcel becomes subject to the annual special tax. During Fiscal Year 2020/21, there was one parcel in Tax Zone 1 and four parcels in Tax Zone 2 that were levied at 100% of their maximum special tax rate per acre. There were two parcels in Tax Zone 3 and one parcel in Tax Zone 5 that were not levied during Fiscal Year 2020/21.

The maximum special tax rate for each tax zone shall be increased annually by the percentage change in the November annualized Consumer Price Index for Los Angeles-Long Beach-Anaheim for all Urban Consumers.

The levy shall be collected in the same manner and at the same time as ordinary ad valorem property taxes by the County of Los Angeles. The County will disburse the levy amount collected based on the distribution schedule of the County of Los Angeles.

1.3 Delinquencies

As of June 30, 2020, there were no delinquencies for the CFD. NBS will continue to monitor the delinquencies and recommend the appropriate delinquency management actions to the City as needed.

NBS

Christine Drazil, Administrator
Adina McCargo, Project Manager
Greg Davidson, Client Services Director

2. SENATE BILL 165

Senate Bill 165 enacted the Local Agency Special Tax and Bond Accountability Act. This Act requires that any local special tax/local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to bonds issued on or after January 1, 2001 in accordance with Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation (bond issuance) of the Special Tax District and others are handled through annual reports. This Report intends to comply with Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The Annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.”

The requirements of the Act apply to the Funds of:

City of Carson
CFD No. 2018-01 (Maintenance and Services)
September 18, 2018

Purpose of Special Tax

To fund certain municipal services associated with new industrial and multi-family residential developments. The services consist of, but are not limited to: law enforcement services, street sweeping/sidewalk cleaning and maintenance, maintenance of parks, parkways, and open space, maintenance of roadways, flood and storm protection services, and other eligible services permitted by the Act to service properties within the boundaries of the CFD.

Reporting Requirements

Fund	Amount Collected	6/30/2020 Balance	Expended Amount	Project Status
CFD No. 2018-01	\$ NA ⁽¹⁾	\$ NA ⁽¹⁾	\$ NA ⁽¹⁾	Ongoing

(1) The amount was not provided at the time this report was complete.

3. LEVY ANALYSIS

3.1 Special Tax Spread

The total levy and applied rates for Fiscal Year 2020/21 are shown in the table below.

Tax Zone	Parcel Count	FY 2020/21 Applied Tax Rate per Acre or Unit ⁽¹⁾	Total FY 2020/21 Tax Levy ⁽²⁾
Tax Zone 1	1	\$2,043.21	\$9,736.24
Tax Zone 2	4	1,839.18	37,708.28
Tax Zone 3	2	0.00	0.00
Tax Zone 5	1	0.00	0.00
Totals:	8		\$47,444.52

(1) Tax Zone 1 and Tax Zone 2 are levied per acre. Tax Zone 3 and Tax Zone 5 are levied per unit.

(2) This amount includes installment rounding for tax roll purposes, where applicable.

3.2 Maximum and Applied Rates

The Fiscal Year 2020/21 applied tax rates compared to the maximum tax rates are shown in the table below.

Tax Zone	Parcel Count	FY 2020/21 Applied Tax Rate per Acre or Unit ⁽¹⁾	FY 2020/21 Maximum Tax Rate per Acre or Unit ⁽¹⁾⁽²⁾	% of Maximum Tax Levied
Tax Zone 1	1	\$2,109.24	\$2,109.24	100.0%
Tax Zone 2	4	1,898.61	1,898.61	100.0%
Tax Zone 3	2	0.00	664.70	0.0%
Tax Zone 5	1	0.00	907.51	0.0%

(1) Tax Zone 1 and Tax Zone 2 are levied per acre. Tax Zone 3 and Tax Zone 5 are levied per unit.

(2) Commencing July 1, 2020, the Maximum Special Tax Rate for each Tax Zone shall be increased by the percentage change in the November annualized Consumer Price Index (CPI) for Los Angeles-Long Beach-Anaheim for all Urban Consumers.

3.3 Maximum Tax Rates

The Fiscal Year 2020/21 maximum tax rates compared to the prior year are shown in the table below.

Tax Zone	Parcel Count	FY 2020/21 Maximum Tax Rate per Acre or Unit ⁽¹⁾	FY 2019/20 Maximum Tax Rate per Acre or Unit ⁽¹⁾⁽²⁾	% of Change
Tax Zone 1	1	\$2,109.24	\$2,043.21	3.2%
Tax Zone 2	4	1,898.61	1,839.18	3.2%
Tax Zone 3	2	664.70	643.90	3.2%
Tax Zone 5	1	907.51	879.10	3.2%

(1) Tax Zone 1 and Tax Zone 2 are levied per acre. Tax Zone 3 and Tax Zone 5 are levied per unit.

(2) Commencing July 1, 2020, the Maximum Special Tax Rate for each Tax Zone shall be increase by the percentage change in the November annualized Consumer Price Index (CPI) for Los Angeles-Long Beach-Anaheim for all Urban Consumers.

3.4 Applied Tax Rates

The Fiscal Year 2020/21 applied tax rates compared to the prior year are shown in the table below.

Tax Zone	Parcel Count	FY 2020/21 Applied Tax Rate per Acre or Unit ⁽¹⁾	FY 2019/20 Applied Tax Rate per Acre or Unit ⁽¹⁾	% of Change
Tax Zone 1	1	\$2,109.24	\$2,043.21	3.2%
Tax Zone 2	4	1,898.61	1,839.18	3.2%
Tax Zone 3	2	0.00	0.00	0.0%
Tax Zone 5	1	0.00	0.00	0.0%

(1) Tax Zone 1 and Tax Zone 2 are levied per acre. Tax Zone 3 and Tax Zone 5 are levied per unit.

APPENDIX A: RATE AND METHOD OF APPORTIONMENT

The following pages show the Rate and Method of Apportionment of the Special Tax.

**CITY OF CARSON
COMMUNITY FACILITIES DISTRICT NO. 2018-01
(MAINTENANCE AND SERVICES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied and collected in City of Carson Community Facilities District No. 2018-01 (Maintenance and Services) (the "District") each Fiscal Year, in an amount determined by the application of the procedures described below. All of the Taxable Property (as defined below) in the District, unless exempted by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

I. DEFINITIONS

The terms used herein shall have the following meanings:

"Accessory Unit" means a secondary residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a Unit of Single Family Detached Property.

"Acreage" or "Acre" means that acreage shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event that the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel shall be determined by the District Administrator based upon the applicable condominium plan, final map or parcel map. If the preceding maps for a land are not available, the Acreage of such land area may be determined utilizing available spatial data and geographic information systems (GIS).

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Act of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of the District: the costs of computing the Annual Special Tax Requirement and the annual Special Tax and of preparing the annual Special Tax collection schedules; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Taxes; and the costs of the City or designee related to an appeal of the Special Tax. Administrative Expenses shall also include costs related to the formation of the District and of annexing territory to the District as well as any amounts advanced by the City for any administrative purposes of the District and an allocable share of the salaries of City staff and an allocable portion of City overhead costs relating to the foregoing, or costs of the City in any way related to the establishment or administration of the District.

"Annual Services Costs" means the amounts required to fund services authorized to be funded by the District.

"Annual Special Tax Requirement" means that amount with respect to the District determined by the Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs for each Tax Zone, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with the District, and (4) reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

“Assessor’s Data” means Acreage or other Parcel information contained in the records of the County Assessor.

“Assessor’s Parcel” or “Parcel” means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessment’s Parcel by the County for purposes of identification.

“Association Property” means any property within the boundaries of the District which is owned by a homeowners’ or property association, including any master or sub-association.

“Boundary Map” means that map recorded with the County recorder’s office on September 20, 2018 in Book 194 at Pages 88 & 89 as Document Number 20180967743.

“City” means the City of Carson, County of Los Angeles.

“Council” means the City Council of the City, acting as the legislative body of the District.

“County” means the County of Los Angeles, California.

“Developed Property” means, in any Fiscal Year, all Taxable Property in the District for which a building permit for new construction was issued by the City prior to June 1 of the preceding Fiscal Year.

“District” means the City of Carson Community Facilities District No. 2018-01 (Maintenance and Services), and, when applicable, any annexed Assessor’s Parcels.

“District Administrator” means an official of the City, or designee or agent or consultant, responsible for administering the Special Tax in accordance with this Rate and Method of Apportionment.

“Exempt Property” means all property located within the boundaries of the District which is exempt from the Special Tax pursuant to Section V below.

“Expected Special Tax Revenue” means the amount of revenue anticipated to be collected in each Tax Zone, adjusted annually by the Tax Escalation Factor.

“Finance Director” means the official of the City who is the chief financial officer or other comparable officer of the City or designee thereof.

“Fiscal Year” means the period from July 1st of any calendar year through June 30th of the following calendar year.

“Future Voluntary Annexation Area” means the area designated for future voluntary annexation to the District as shown in the District Boundary Map, as may be amended from time to time.

“Maximum Special Tax Rate” means the maximum Special Tax authorized for levy in any Fiscal Year that may apply to Taxable Property as described in Section III.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit has been issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel Number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Non-Residential Property” means all Developed Property that is not used for people to live in, and does not include Public Property.

“Proportionately” means, in any Fiscal Year, that the ratio of the actual Special Tax to the Maximum Special Tax Rate is equal for all Assessor’s Parcels authorized to be levied in that Fiscal Year within each respective Tax Zone.

“Public Property” means any property within the boundaries of the District owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public or private road right-of-way making the property unusable for any other purpose has been granted to the federal government, the State of California, the County, the City, or any local government or other public agency.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel Numbers assigned to them (except for a duplex triplex, or fourplex unit, which may share a Parcel with another duplex, triplex or fourplex Unit(s)), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium project contained in Civil Code Section 4125.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means the amount levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Annual Special Tax Requirement.

“Tax Escalation Factor” means a factor that will be applied annually after Fiscal Year 2018/19 to increase the Maximum Special Tax Rates shown in Section III and as specified for each Tax Zone.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. ***All of the Taxable Property within the District at the time of its formation is within Tax Zone No. 1 as specified on the District Boundary Map.*** Additional Tax Zones may be created when property is annexed to the District, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone when such Parcels are annexed to the District shall be identified by Assessor’s Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation, or any proceeding for annexation to the District.

“Taxable Property” means all Parcels within the boundary of the District that are not Exempt Property, exempt from the Special Tax pursuant to the Act or Section V below.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels of Taxable Property annexed into the District that constitutes the property owners approval and unanimous vote in favor of annexing into the District and the levy of Special Tax against his/her Parcel or Parcels pursuant to this Rate and Method of Apportionment of Special Tax.

“Undeveloped Property” means all Parcels of Taxable Property that are not Developed Property.

“Unit” means an individual single family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure. An Accessory Unit that shares a Parcel with a Unit of Single Family Detached Property shall not be considered a separate Unit for purposes of calculating the Special Tax.

II. DETERMINATION OF TAXABLE PARCELS

On or about July 1 of each Fiscal Year, the District Administrator shall determine the valid Assessor’s Parcel Numbers for all Taxable Property within the District. If any Assessor’s Parcel Numbers are no longer valid from the previous Fiscal Year, the District Administrator shall determine the new Assessor’s Parcel Number or Numbers that are in effect for the current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated or otherwise reconfigured, the Special Tax rates shall be assigned to the new Assessor’s Parcels pursuant to Section III. The District Administrator shall also determine: (i) the Tax Zone within which each Parcel is located; (ii) which Parcels are Developed Property; (iii) the Acreage or number of Units each Parcel contains; and (iv) the Annual Special Tax Requirement for the Fiscal Year.

III. ANNUAL SPECIAL TAX - METHOD OF APPORTIONMENT

All Taxable Property shall be subject to a Special Tax defined as follows.

The Special Tax shall be levied each Fiscal Year by the District Administrator. The Annual Special Tax Requirement shall be apportioned to each Parcel of Taxable Property within the District by the method shown below.

- First. Determine the Annual Special Tax Requirement.
- Second. Levy the Special Tax on each Parcel of Developed Property, Proportionately, up to the Maximum Special Tax Rate described in Table 1 below to satisfy the Annual Special Tax Requirement.

**TABLE 1
SPECIAL TAX RATES – TAX ZONE NO. 1
FISCAL YEAR 2018/19***

Property Type	Maximum Special Tax Rate	Per	Expected Special Tax Revenue
Non-Residential Property	\$1,971.51	Acre	\$9,189.21

**On each July 1, commencing on July 1, 2019, the Maximum Special Tax Rate for each Tax Zone shall be increased by the percentage change in the November annualized Consumer Price Index for Los Angeles-Long Beach-Anaheim for all Urban Consumers, the Tax Escalation Factor for Tax Zone No. 1.*

Should the total revenue for Tax Zone No. 1 not be fully realized when all Parcels in Tax Zone No. 1 are classified as Developed Property, the Special Tax rate per Acre shall be adjusted so that the Special Tax per Acre is sufficient to generate the total Expected Special Tax Revenue for Tax Zone No. 1, adjusted annually by the Tax Escalation Factor. The Maximum Special Tax Rate shall be the greater of the Maximum Special Tax Rate shown in Table 1, adjusted annually by the Tax Escalation Factor or the Special Tax Rate calculated to generate the total Expected Special Tax Revenue for Tax Zone No. 1, adjusted annually by the Tax Escalation Factor.

If a building permit has been issued after June 1 of the preceding Fiscal Year, the City may directly bill to meet the Annual Special Tax Requirement, as prorated based on the date the building permit is issued and the end of the Fiscal Year.

A different Maximum Special Tax Rate may be identified in Tax Zones added to the District as a result of future annexations.

IV. FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The Special Tax may not be prepaid.

V. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on (i) Public Property, (ii) Association Property, (iii) Assessor’s Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, or (iv) except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

VI. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be at the City’s discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

VII. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of the District, and may collect delinquent Special Taxes through foreclosure or other available methods.

A Special Tax shall continue to be levied and collected within the District, as needed to fund the Annual Special Tax Requirement, in perpetuity.

VIII. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the District Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The District Administrator shall review the appeal, meet with the appellant if the District Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the District Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the District Administrator or subsequent decision by the City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

APPENDIX B: DELINQUENCY SUMMARY

The following page shows the current Delinquency Summary.

City of Carson

Delinquency Summary Report

As of: 06/30/2020

District	Due Date	Billed Amount	Paid Amount	Delinquent Amount	Delinquent Amount %	Billed Installments	Paid Installments	Delinquent Installments	Delinquent Installments %
CFD 2018-01 - Community Facilities District No. 2018-01									
08/01/2019 Billing:									
	12/10/2019	\$22,979.67	\$22,979.67	\$0.00	0.00%	6	6	0	0.00%
	04/10/2020	\$22,979.67	\$22,979.67	\$0.00	0.00%	6	6	0	0.00%
	Subtotal:	\$45,959.34	\$45,959.34	\$0.00	0.00%	12	12	0	0.00%
CFD 2018-01	Total:	\$45,959.34	\$45,959.34	\$0.00	0.00%	12	12	0	0.00%
Agency Grand Total:		\$45,959.34	\$45,959.34	\$0.00	0.00%	12	12	0	0.00%

APPENDIX C: FINAL BUDGET REPORT FOR FISCAL YEAR 2020/21

The following page shows the final budget for the CFD.

City of Carson
Community Facilities District No. 2018-01
Final Budget for Fiscal Year 2020/21

Category/Item	FY 2020/21	FY 2019/20	Increase / (Decrease)
Admin. Expenses	\$47,444.55	\$45,959.39	\$1,485.16
Miscellaneous	(0.03)	(0.05)	0.02
Grand Total:	\$47,444.52	\$45,959.34	\$1,485.18
Total Accounts:	8	6	2
Footnotes:			

APPENDIX D: FINAL BILLING DETAIL REPORT FOR FISCAL YEAR 2020/21

The following page shows the billed parcels in the CFD and the Fiscal Year 2020/21 levy amount.

City of Carson
Community Facilities District No. 2018-01
Final Billing Detail Report for Fiscal Year 2020/21

Account ID	Property ID	DB	Levy	Other	Total
7316-025-097	7316-025-097-5		\$17,837.44	\$0.00	\$17,837.44
7316-025-116	7316-025-116-2		763.24	0.00	763.24
7316-025-117	7316-025-117-1		749.95	(0.01)	749.94
7316-025-118	7316-025-118-0		18,357.66	0.00	18,357.66
7335-003-005	7335-003-005-0		0.00	0.00	0.00
7339-002-003	7339-002-003-0		9,736.25	(0.01)	9,736.24
7343-020-009	7343-020-009-0		0.00	0.00	0.00
7343-020-010	7343-020-010-7		0.00	0.00	0.00
8 Accounts			\$47,444.54	(\$0.02)	\$47,444.52