



COUNTY OF PLACER
Community Development/Resource Agency

**ENGINEERING &
SURVEYING**

Michael J. Johnson, AICP
Agency Director

Wes Zicker, PE
Director

MEMORANDUM

TO: HONORABLE BOARD OF SUPERVISORS

FROM: WES ZICKER, P. E. *WZ*
DIRECTOR OF ENGINEERING & SURVEYING

DATE: DECEMBER 6, 2011

SUBJECT: ADDITIONS TO THE PLACER COUNTY BOND SCREENING COMMITTEE RULES
AND PROCEDURES

ACTION REQUESTED:

Approve the attached resolution adopting the proposed additions to the Placer County Bond Screening Committee Rules And Procedures (rules), dated January 1, 2007.

BACKGROUND:

The Board of Supervisors created the Bond Screening Committee to review and make recommendations on proposed special assessment districts and community facilities districts. That review process involves both informal meetings and formal public hearings, the intent of which is to arrive at a recommendation to the Board on applications for public financing. The Board adopted the current rules for the committee in 2007.

In the past the County has successfully used Community Facilities Districts (CFDs) to fund the acquisition of infrastructure constructed by developers. California state law governing the use and formation of a CFD includes provisions for the imposition of a special tax to fund public services. While not previously used by Placer County, staff envisions the need for such financing mechanisms for future developing areas, although this use of a CFD is not restricted to only such areas.

In order to provide the Board with recommendations on future services CFDs, the Bond Screening Committee met on October 28, 2011 to consider additions to the committee's rules that would guide the committee in considering such services CFDs. The proposal does not require any changes to the existing rules regarding typical infrastructure financing, but takes the form of additions those rules. The proposed additions are attached as Exhibit A of this memo.

The committee believes the proposed changes will clarify the County's policies and rules for the use of public financing for funding of services while safeguarding the County's standing in the financial community. The committee met as noted and voted unanimously to recommend that the Board adopt the proposed additions to the rules

CEQA

This action is exempt under CEQA Guidelines, Section 15378 (b) (2) and (4), adopting a policy as to fiscal activities.

FISCAL IMPACT:

None for future development project areas, all costs associated with the implementation of a services CFD reviewed under these rules would be paid by applicants. To the extent that the County would propose a services CFD for the health and welfare of an area of the County, the cost of staff time and possible consultant costs would be a consideration.

ATTACHMENTS:

Exhibit 1: Draft of the proposed additions to the Placer County Bond Screening Committee Rules and Procedures

Attachment A: Resolution Adopting Rules And Procedures

cc: Michael Johnson, Director CDRA

EXHIBIT 1

DRAFT

Proposed Revisions

Bond Screening Committee Rules

October 28, 2011

Chapter I – General Provisions

Section 1. Policy Statement on Infrastructure

Add:

- The County may use a Community Facilities District to provide financing for public services required to assure that adequate levels of protection and service are provided for in areas of the county.

Add

Chapter IX – Services CFD Procedures

Section 1. General

In certain areas of the county where an inadequate tax base exists in currently developed or newly developing areas of the county, it may be prudent for the County to consider the formation of a Community Facilities District to enact a special tax to finance the provision of services that do not meet the applicable standards articulated in the County's General Plan.

Section 2. Special Tax

The proposed amount and apportionment of the special tax shall comply with the following criteria:

- A. The special tax formula shall be structured to produce sufficient annual special tax revenue to pay:
 1. The estimated cost of the included services; and
 2. Reasonable annual administrative expenses and the cost of any services and "pay as you go" programs funded by the CFD special tax.

- B. The County may consider the transfer of a portion of the special tax between parcels in a development if the following conditions are met: (i) the decrease in the maximum special tax in

one of the subject properties is offset by an equal increase on another subject property or properties to ensure that there is no overall net loss in the maximum special tax between the parcels, (ii) written consent has been received by the County from all owners of the Parcels affected by the transfer, and (iii) written consent has been granted by the County to allow such a transfer to take place.

- C. The rate and method of apportionment of the special tax may provide for an annual increase in the maximum special tax on any property.
- D. All property within the CFD not otherwise statutorily exempted or owned (or to be owned) by a public entity and to be benefited shall typically bear its appropriate share of the special tax liability.
- E. The special tax shall be allocated and apportioned based on reasonableness to all categories and classes of property receiving benefits within the CFD.
- F. For residential projects, the projected ad valorem property tax and other direct and overlapping debt and any other direct charges or special assessments for each lot in the proposed CFD shall not exceed two percent (2%) of the estimated marked price as defined above at the time of issuance. This 2% limit shall include the maximum special tax, estimated CFD charges, and projected benefit assessments, levies for authorized but unissued debt, any other anticipated municipal charges, and allowance for future taxes, assessments, charges, and other forms of indebtedness which may be included on a property owner's annual tax bill. Deviations from this limit will not be permitted unless specifically approved by the Board of Supervisors.
- G. The amount of special tax on each parcel shall be determinable purely by the application of the formula without the exercise of discretion on the part of any person.

Section 3. Information Required

The following information shall be required to be submitted to the committee prior to either a Preliminary or Formal Hearing:

1. Description of the Services to be financed including a discussion of why they are needed
2. Estimated annual cost of services
3. Proposed Rate and Method of Apportionment of the Special Tax
4. A display map of the proposed district boundaries including the existing Assessor's Parcel Numbers within the area
5. If applicable, a display map of any area subject to future annexation into the district

6. In the event that residential areas are proposed to be included in either the district or proposed annexation area, a written discussion of the potential impact of the proposed special tax to the overall 2% limitation described in Chapter V, Section 2 G. shall be included in the information.

Section 4. Developer Initiated Districts

If a proposed services CFD is initiated by the developer or owner of land subject to discretionary approvals, the developer/owner shall be responsible for all costs associated with the committee proceedings related to the formation of the CFD.

In addition to the information required in Section 3 above, the developer/owner shall provide the following:

1. A written request for the formation of the CFD
2. A report of the agency responsible for the provision of the services proposed to be financed by the special tax (GC Section 55321.5)
3. Payment of a deposit against the cost of the committee's review in accordance with Chapter VIII of these Rules

Section 5. Hearings

Preliminary and Formal Hearings to review the information provided and to consider a recommendation to the Board of Supervisors (per Chapter I, Section 3 of these rules) shall generally comply with Chapter III of these Rules.

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:
A RESOLUTION ADOPTING
ADDITIONS TO THE RULES AND
PROCEDURES OF THE BOND
SCREENING COMMITTEE

Resol. No:.....

Ord. No:.....

First Reading:.....

The following RESOLUTION was duly passed by the Board of Supervisors of the
County of Placer at a regular meeting held DECEMBER 6, 2011 by
the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

BE IT HEREBY RESOLVED by the Board of Supervisors of the County of Placer, State of California, that it hereby amends the Placer County Bond Screening Committee Rules and Procedures by amending Section 1, Chapter 1 and by the addition of Chapter 9 as set forth in the attached Exhibit A; and

BE IT FURTHER RESOLVED that the above noted additions to the rules shall become effective on January 1, 2012.

Exhibit A to Resolution No. 2011-_____

Revisions to the

Placer County Bond Screening Committee Rules and Procedures

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