



EAST BAY REGIONAL PARK DISTRICT  
**BOARD FINANCE COMMITTEE**  
AGENDA STATEMENT  
MEETING DATE – October 28, 2015

**SUBJECT:** Formation of a Community Facilities District to Fund Maintenance of Open Space in the Las Trampas Area

Report Prepared by: Deborah Spaulding, Assistant Finance Officer

**RECOMMENDATION:** Recommend that materials for establishing the Community Facilities District No. C-2 Las Trampas be forwarded to the Board of Directors for action at the November 17<sup>th</sup> Board Meeting.

**DESCRIPTION**

Overview

The District is in the process of forming its second Community Facilities District (CFD), as a mechanism to fund maintenance of open space in the Las Trampas area. The proposed CFD is associated with a 740-unit development project located on approximately 450 acres, called the Faria Preserve. The conditions of approval issued by the City of San Ramon for the Faria Preserve include the dedication of approximately 140 acres of open space to the District. The conditions of approval and other agreements with the developer will also result in the construction of one staging area for 27 vehicles and one shared parking area with five parking spaces, and several miles of trails, including a nearly 1-mile segment of the Calaveras Ridge Trail.

A Settlement Agreement between the District and the developer of the Faria Preserve confirmed that a funding mechanism (such as a CFD) will be used to finance the District's maintenance of public access to this open space and trails adjacent to the development. This report describes the steps that will be taken to implement the CFD, and provides a preliminary view of the CFD cost allocation.

Background

CFDs are a type of Mello-Roos financing, and are currently the preferred method of funding open-space maintenance. A new non-bonded CFD creation with fewer than 12 registered voters follows three general phases, beginning with the Board of Directors adopting the purpose of the CFD, adopting the rate and method for apportioning costs, and defining the CFD area. The second part of the process is a special tax election, which requires approval of two-thirds of property owners (in this case, a single land-owner). Last is the implementation of the levy by the county assessor through the levy and collection of the special tax.

The District is using the services of NBS to manage this CFD creation process. NBS has provided engineering and assessment district administration for the District since 2011, and was selected to provide CFD formation services via a Request for Proposals in January 2015. The

District completed its first CFD (Community Facilities District No. C-I Las Trampas) in August.  
Steps & Timeline for Implementation

The proposed steps and timeline for the creation of this second CFD are as follows:

- 1) October 23, 2015 - District provided Developer with Petition with Waivers to create the CFD. The Petition requests that the District form the CFD, and affirms that the petitioner has reviewed and approves the Rate and Methodology for the special tax. The Petition must be signed by the Developer and returned to the District prior to the Board meeting on November 17, 2015.
- 2) November 17, 2015 – Board adopts Resolution of Intention to establish CFD, the Rate and Method of Apportionment (RMA) for the CFD, and the Boundary Map. The RMA establishes the formula for calculating the special tax on each parcel of land within the CFD, the date to commence the tax, and defines what parcels are subject to the tax. At this same meeting the Board of Directors will confirm the Boundary Map to be recorded with County, and will establish the time and place for the Public Hearing on the CFD, which must be at least 30 days but no more than 60 days from this meeting.
- 3) No later than December 2, 2015 – District records CFD Boundary Map with Contra Costa County.
- 4) December 18, 2015 - District mails CFD Election Materials to Developer. The ballot, envelope and instructions must be mailed back to the District in advance of the Public Hearing.
- 5) No later than January 5, 2016 – District publishes Notice of Public Hearing in newspaper of general circulation.
- 6) January 12, 2016 - Board approves CFD formation. At this meeting the Board will conduct the public hearing, approve the Resolution of Formation and Resolution Calling Election, conduct the landowner election and declare election results by resolution, and approve an ordinance to levy special taxes.
- 7) No later than January 27, 2016 – District records Notice of Special Tax Lien with Contra Costa County.

#### Cost Model & Allocation

Finance has worked with District staff and NBS to determine the total cost of maintaining the dedicated open space and improvements. This total cost model is used to calculate the maximum annual tax per unit, as documented in the RMA. The cost model includes the full expenses of managing the parking, trailheads, and facilities in and around the site, and the trails that connect into Las Trampas Wilderness, including public safety services, fuels management, and an administrative fee. Each July 1<sup>st</sup> the special tax will have a cost of living escalation included, based on the escalation factor (change in annual CPI for SF-Oak-SJ as of December).

The cost model establishes that the total annual cost to manage this property is approximately \$150,000. Roughly one-third of the total cost will be borne by the District through its general fund and through mitigation funds. The remaining two-thirds of the cost, approximately \$105,000, will be assessed to the property owners in the CFD.

This is a complex development with three different sizes of single family homes, as well as condominiums, and apartments. NBS has recommended allocating the costs according to an Equivalent Dwelling Unit (EDU) factor. This allows for smaller units – condominiums or apartments – to pay less for the CFD than larger houses. Using this methodology, an allocation of costs has been developed, as summarized in the table below.

Rate per EDU	\$210.76					
Land Use	Lot Size Description	Units	EDU Factor	Total EDUs	CFD Rate per Unit	Total Revenue
SFR 1	50' x 100'	121	1.00	121.00	\$211.00	\$25,531
SFR 2	46' 70'	72	0.90	64.80	190.00	13,680
SFR 3	35' x 65'	63	0.85	53.55	180.00	11,340
Condominiums		182	0.75	136.50	159.00	28,938
Apartments		216	0.50	108.00	106.00	22,896
Senior Apartments		86	0.20	17.20	43.00	3,698
<b>Totals:</b>		<b>740</b>		<b>501.05</b>		<b>\$106,083</b>

Each of the land use types listed in this table is defined in the RMA. For example:

“Residential Property – SFR1” means an Assessor’s Parcel of Taxable Property for which a map has been recorded by January 1<sup>st</sup> of the prior Fiscal Year for which a building permit could be issued to construct a single family Residential Dwelling Unit and is located in that area of land designated as Neighborhood I on the Master Site Plan Vesting Tentative Map for the Faria Preserve Subdivision 9342, dated September 20, 2013. The proposed development for Neighborhood I includes the construction of single family Residential Dwelling Units with a minimum lot size of 50’ x 100’.

Next Steps

In the coming weeks, staff will continue working with NBS to finalize the necessary material for the November 17<sup>th</sup> Board Meeting, will obtain feedback from the Developer regarding the RMA, and will obtain the Developer’s signature on the Petition.

**RECOMMENDATION**

Staff recommends that materials for establishing the Community Facilities District No. C-2 Las Trampas be forwarded to the Board of Directors for action at the November 17<sup>th</sup> Board Meeting.

**EAST BAY REGIONAL PARK DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. C-2  
LAS TRAMPAS**

EAST BAY REGIONAL PARK DISTRICT  
COUNTY OF CONTRA COSTA  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF THE EAST BAY REGIONAL PARK DISTRICT THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

CLERK OF THE BOARD  
EAST BAY REGIONAL PARK DISTRICT  
CONTRA COSTA COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE EAST BAY REGIONAL PARK DISTRICT COMMUNITY FACILITIES DISTRICT NO. C-2 LAS TRAMPAS, EAST BAY REGIONAL PARK DISTRICT, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF THE EAST BAY REGIONAL PARK DISTRICT, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015, BY ITS RESOLUTION NO. \_\_\_\_\_.

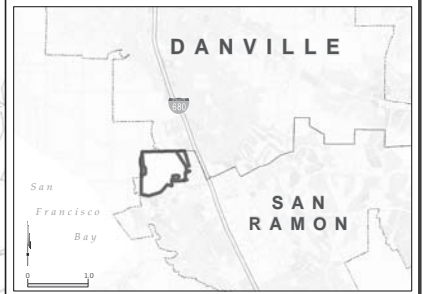
CLERK OF THE BOARD  
EAST BAY REGIONAL PARK DISTRICT  
CONTRA COSTA COUNTY, CALIFORNIA

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA.

COUNTY RECORDER  
COUNTY OF CONTRA COSTA, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA.

	CFD Boundary		Other Parcels
	CFD Parcel		City Boundary



Data Source  
Contra Costa County GIS  
Geographic Coordinate System  
GCS North American 1983  
Projection  
NAD 1983 StatePlane California III FIPS 0403 Feet





EAST BAY REGIONAL PARK DISTRICT  
**BOARD FINANCE COMMITTEE**  
AGENDA STATEMENT  
MEETING DATE –Wednesday, October 28, 2015

**SUBJECT:** 2016 Proposed General Fund Budget Summary

Report by: Pam Burnor, Budget Manager  
Debra Auker, Acting Assistant General Manager  
Bill Zenoni, Interim Chief Financial Officer

**ATTACHMENT:** 2016 Proposed General Fund Budget Summary

**RECOMMENDATION:** None. This is an informational item only.

The purpose of this item is to brief the Board Finance Committee on the status of the budget process and provide an overview of the 2016 proposed General Fund budget.

GENERAL FUND – OPERATING BUDGET
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A summary of the 2016 proposed General Fund budget, with a comparison to the 2015 adopted budget is provided as an attachment to this report. The 2016 proposed General Fund budget is balanced with approximately \$127.9 million in budgeted revenue and transfers in (4.8% increase from 2015) and \$127.1 million in appropriations and transfers out (5.2% increase from 2015). The General Fund revenues and transfers in are projected to exceed expenditures and transfers out in 2016 by \$769,744.

- I. 2016 Proposed General Fund Revenue Budget as Compared to 2015 Adopted Budget:
  - a. 2016 property tax revenue is budgeted at \$114.8 million which represents an increase of \$5 million or 4.6% over the 2015 budgeted amount. Property values in the Bay Area have continued to escalate as the economic recovery moves forward. For the 2015-16 fiscal year (July 1, 2015 to June 30, 2016), the property assessment roll increased 7.0% in Alameda County and 7.5% in Contra Costa County. The property tax revenue projection for 2016 is a conservative estimate and assumes that the significant increases realized over the past several years will begin to level off.
  - b. Projected 2016 revenue from sources other than property tax have increased by \$772,132. The major increase is in charges for services due mainly to increased demand for camping, entrance fees and facility rentals.
  - c. 2016 transfers into the General Fund are budgeted at \$98,000. This represents the estimated final transfer from the Coyote Hills Linear Park Fund of \$93,000

(to close the fund) and \$5,000 for feral pig management transferred from several permanent funds.

2. 2016 Proposed General Fund Appropriations as Compared to the 2015 Adopted Appropriations:

- a. The 2016 salary/benefits increase is approximately 4.8% (\$4 million).
  - i. This includes COLA and benefit changes resulting from the 2013 labor contract, which impacts AFSCME, confidential and management, seasonal and temporary employees.
  - ii. The 2016 budget includes COLA and benefit changes resulting from the 2014 labor contract with the Police Association.
  - iii. The increase in salary/benefits also incorporates the 2016 General Fund increase in staffing of 18,356 FTEs for approximately \$2.4 million. Of these, 4.61 FTE's were approved for 'pipeline' positions necessary to service growth of park lands open to the public. These 'pipeline' positions are outlined in more detail below.
- b. Supplies budgets increased 2.1% (\$175,000), the majority for a one-time appropriation slated for purchases of rolling stock costing less than \$25,000.
- c. Services budgets increase 8.8% (\$1.3 million). Included in the increased funding are a base appropriation for environmental mitigation related to Anthony Chabot (\$500,000), funding for Quagga Mussel Response (\$129,000)\* and improvements to the banquet/event center at Redwood Canyon (\$125,000).
- d. The proposed General Fund budget for capital outlay/equipment expenditures totals \$777,152 which reflects a slight reduction (5.9%) from the 2015 budget of \$826,060. Included in the 2016 capital outlay/equipment budget is funding for seven additions to the vehicle fleet.

\* Future years may require a base budget allotment from the General Fund to cover existing permanent staff.

3. 2016 General Fund Transfers Out to Other Funds:

Annual transfers out to projects and debt service are approximately \$6.9 million, similar to 2015. In addition to an annual transfer of \$500,000 to the Major Infrastructure Renovation and Replacement Fund, the District has increased its commitment to transfer \$600,000 annually for Fire Fuels Vegetation Management (formerly \$500,000). Other large projects funded in 2016 include:

- a. Del Valle Convenience Camping - \$500,000
- b. Black Diamond Mine Improvements - \$310,000

4. 2016 Proposed General Fund Operating Budget Highlights:
- a. Approximately \$3 million in base budget requests are funded in the 2016 proposed General Fund budget, plus \$3 million in one-time funding requests.
  - b. New 'Pipeline' personnel and operating expenses are recommended for the following areas:

<u>Recommended "Pipeline " Staffing</u>	<u>FTE</u>
<u>General Fund</u>	
Concord Hills	2.00
Las Trampas	0.96
Pleasanton Ridge	0.40
Point Pinole	0.10
Sibley	0.75
Vargas	<u>0.40</u>
Total General Fund	4.61
<u>Measure CC</u>	
Miller Knox	0.20
North Richmond Wetlands	<u>0.30</u>
Total Measure CC	0.50
Total Recommended 2016 Pipeline Staffing	
	5.11

- c. The 2016 budget proposes 19.536 additional staff FTE's from all funds, with 18.356 FTEs added to the General Fund, .50 FTE funded by Measure CC and .68 FTE to be reimbursed by the Veteran's Administration.

NEXT STEPS:

- Nov 16 Proposed Budget delivered to the Board of Directors/Finance Committee
- Nov 23 Proposed Budget presented to the Finance Committee
- Nov 23 Proposed Budget presented to the Park Advisory Committee
- Dec 1 Introduction of Proposed Budget to the Board of Directors (1<sup>st</sup> public hearing)
- Dec 15 Adoption of Proposed Budget by the Board of Directors (2<sup>nd</sup> public hearing)

CONCLUSION:

The intent of this informational report is to provide a basic outline of the 2016 General Fund budget process to date. Minor modifications to this information may be required before the proposed budget document is prepared. The proposed budget document, in draft form, will be presented to the Finance Committee at the November meeting.

## 2016 Proposed Draft General Fund Budget Summay

<b>SOURCES</b>	<b>2016 GF Proposed Budget</b>	<b>2015 GF Adopted Budget</b>	<b>Change</b>	<b>%Change</b>
Property Tax	114,800,000	\$ 109,800,000	\$ 5,000,000	4.6%
Charges for Services	9,335,950	8,994,250	341,700	3.8%
Property Usage	2,002,500	1,886,000	116,500	6.2%
Interest	550,000	500,000	50,000	10.0%
Inter-agency Agreements&Grants	356,723	236,400	120,323	50.9%
Misc Revenue	724,609	581,000	143,609	24.7%
<b>Revenues</b>	<b>127,769,782</b>	<b>121,997,650</b>	<b>5,772,132</b>	<b>4.7%</b>
Transfer In	98,000	45,000	53,000	117.8%
<b>Transfers In</b>	<b>98,000</b>	<b>45,000</b>	<b>53,000</b>	<b>117.8%</b>
<b>TOTAL SOURCES</b>	<b>\$ 127,867,782</b>	<b>\$ 122,042,650</b>	<b>\$ 5,825,132</b>	<b>4.8%</b>
<b>USES</b>				
Personnel Costs	\$ 87,985,410	\$ 83,983,050	\$ 4,002,360	4.8%
Supplies	8,501,073	8,325,350	175,723	2.1%
Services	16,290,533	14,978,900	1,311,633	8.8%
Capital Outlay/Equip	777,152	826,060	(48,908)	-5.9%
Interagency Agreements	232,000	232,000	-	0.0%
Intra-District Charges	6,362,390	6,021,040	341,350	5.7%
<b>Expenses</b>	<b>\$ 120,148,559</b>	<b>\$ 114,366,400</b>	<b>\$ 5,782,159</b>	<b>5.1%</b>
Transfers Out	6,949,480	6,446,480	503,000	7.8%
<b>Transfers Out</b>	<b>6,949,480</b>	<b>6,446,480</b>	<b>503,000</b>	<b>7.8%</b>
<b>TOTAL USES</b>	<b>\$ 127,098,039</b>	<b>\$ 120,812,880</b>	<b>\$ 6,285,159</b>	<b>5.2%</b>
<b>Sources Less Uses</b>	<b>\$ 769,744</b>	<b>\$ 1,229,770</b>	<b>\$ (460,026)</b>	<b>-37.4%</b>