DATE: January 8, 2019

TO: City Council

FROM: Rosemarie Gaglione
Public Works Director

SUBJECT: Approval of a Budget Appropriation for Northshore CFD to Establish a Budget in FY 2018-19.

CONTACT: Rosemarie Gaglione, Public Works Director
rosemarie.gaglione@oxnard.org, (805) 385-8055

RECOMMENDATION:

That City Council approve a budget appropriation in the amount of $30,000 from the surplus fund balance of the Northshore CFD #6 (Fund 176) to establish a budget for expected expenditures in Fiscal Year 2019.

BACKGROUND

On June 14, 2005, the City Council approved a tentative subdivision map PZ 05-300-8 for Tract No. 5592 for the Northshore at Mandalay Bay project (Northshore) located north and east of the intersection of Fifth Street and Harbor Boulevard. The Northshore project consists of 90.26 acres for subsequent development into 183 single-family homes and 109 detached condominiums. Northshore is oriented primarily towards the move-up and luxury housing market segment.

On February 14, 2006, the City Council adopted Resolution 13,007, which established its intention to form Community Facilities District (CFD) #6 and Resolution 13,008, which established its intention to incur bonded indebtedness in an amount not to exceed $30,000,000 within the proposed CFD 6, which is also known as the Northshore CFD.

On March 21, 2006, the City Council held the required public hearings to consider the formation of the Northshore CFD and all persons desiring to be heard on this matter were allowed to speak. After the close of the public hearings, the City Council adopted the required resolutions to establish the Northshore CFD.
The Northshore CFD was established to provide financing for the construction, purchase, modification, expansion or improvement of all or a portion of the public improvements, incidental expenses, and to pay for the public services associated with this CFD. The public improvements include public facilities for school, water supply and distribution, sewer, storm drain, street improvements, parks, libraries, and land for environmental mitigation, including restoration and remediation. The developer has agreed to fund the cost of police and fire services for Northshore, in addition to landscaping maintenance and other public services allowed by California Government Code 53313.

The Northshore CFD has been dormant since Fiscal Year 2016 due to substantial outside environmental remediation requirements on the property. As a result, there has been no budget for this CFD for the past several years.

City staff met with the developer of the Northshore CFD and were told there had been changes to the authorized services for the CFD. The Northshore CFD consists of a facilities component and a services component. These two components determine the Special Tax rate table which sets the beginning annual levy amounts. The facilities component has decreased and the services component has increased, therefore altering the Notice of Special Tax Lien tax rate table. As a result, outside consulting services, as well as legal services, will be needed to amend and/or reform the Northshore CFD.

Tax levies were collected from 2008-2015, resulting in a surplus fund balance of $516,761. For the past several years, there has been no activity, and, therefore, no budget was established. It is estimated that $30,000 will be needed for outside consulting and legal services to reform the Northshore CFD. These expenses can be paid for by funds from the reserve fund balance.

**STRATEGIC PRIORITIES**

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

**FINANCIAL IMPACT**

There will be no impact on the General Fund. The $30,000 budget will be paid for out of the surplus fund balance of the Northshore CFD (Fund 176). The estimated unallocated reserve fund balance after this transfer will be $486,761.82. Funds will be allocated to Northshore CFD Special District professional contract (account no. 176-1606-805-8209).

*Prepared by Sandra Burkhart, Special Districts Manager*

**ATTACHMENTS:**
Approval of a Budget Appropriation for Northshore CFD to Establish a Budget in FY 2018-19
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Budget Appropriation
REQUEST FOR BUDGET APPROPRIATION

Department: Public Works/Special Districts   Date: January 8, 2019
Project/Program
Manager: Sandra Burkhart   Phone: 805-385-7496

Reason for Appropriation:
Transfer funds from the reserve fund balance to include a budget in the current fiscal year for unanticipated expenses related to amending or reforming the North Shore Community Facilities District.

Accounts and Descriptions

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<tr>
<th>Fund: 176 North Shore CFD 6</th>
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<tr>
<th>Expenditures/Transfers Out</th>
<th>AMOUNT</th>
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<td>176-1606-805-8209 Contracts &amp; Services/Professional Services-Special Projects</td>
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<tr>
<td>Sub-total Expenditures</td>
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<td>Net Appropriation Change</td>
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</tbody>
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Department Director

Chief Financial Officer

City Manager

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DOES NOT REQUIRE CITY COUNCIL AUTHORIZATION