

**COUNTY OF SAN BERNARDINO  
IMPROVEMENT AREA NO. 1 OF  
COMMUNITY FACILITIES DISTRICT  
No. 2006-1  
(LYTLE CREEK NORTH)**

**June 3, 2009**

**ADMINISTRATION REPORT  
FISCAL YEAR 2009-2010**

**COUNTY OF SAN BERNARDINO  
IMPROVEMENT AREA NO. 1 OF  
COMMUNITY FACILITIES DISTRICT NO. 2006-1  
(LYTLE CREEK NORTH)**

**Prepared for**

**COUNTY OF SAN BERNARDINO  
157 W. Fifth Street  
San Bernardino, California 92371**

**Prepared by**

**DAVID TAUSSIG & ASSOCIATES, INC.  
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Newport Beach, California 92660  
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### EXHIBITS

*Exhibit A: Special Tax Roll Fiscal Year 2009-2010*

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## *I. Introduction*

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This report presents the findings of the research and financial analysis performed by David Taussig & Associates, Inc. to determine the special tax requirement for Improvement Area No. 1 ("IA No. 1") of Community Facilities District No. 2006-1 (Lytle Creek North) ("CFD No. 2006-1") of the County of San Bernardino ("the County") for fiscal year 2009-2010.

CFD No. 2006-1 is a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982, (the "Act") as amended. The Act provides an alternative method for the financing of certain public facilities and services. Specifically, IA No. 1 of CFD No. 2006-1 is authorized to issue up to \$28,000,000 in bonds.

In calculating the special tax liability for fiscal year 2009-2010, this report examines the financial obligations of the current fiscal year and analyzes the level of development within IA No. 1.

This report is organized into the following sections:

### Section II

Section II provides an update of the development activity occurring within IA No. 1.

### Section III

Section III analyzes the previous year's special tax levy.

### Section IV

Section IV determines the financial obligations of IA No. 1 for fiscal year 2009-2010.

### Section V

Section V reviews the methodology used to apportion the special tax requirement to Developed Property and Undeveloped Property. A table of the 2009-2010 special tax rates for Developed Property and Undeveloped Property is included.

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## ***II. Special Tax Classifications and Development Update***

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### **Special Tax Classifications**

The methodology employed to calculate and apportion the special tax is contained in a document entitled the Rate and Method of Apportionment. The Rate and Method of Apportionment defines two primary categories of property, namely "Developed Property" and "Undeveloped Property". For both Zone A and Zone B of IA No. 1, the category of Developed Property is in turn divided into five separate special tax classifications which vary with dwelling unit size for residential development and acreage for non-residential development.

Developed Property is distinguished from Undeveloped Property by the issuance of a building permit. Specifically, property for which a building permit was issued between January 2, 2006 and March 1 of the prior Fiscal Year will be classified as Developed Property in the following fiscal year. For example, all property in IA No. 1 for which a building permit was issued between January 2, 2006 and March 1, 2009, will be classified as Developed Property in fiscal year 2009-2010.

### **Development Update**

Review of the County of San Bernardino's building permit records indicate that between January 2, 2006 and March 1, 2009 building permits for 167 units of residential property in Zone A and 70 units of residential property in Zone B had been issued within IA No. 1. A total of 47.08 acres in IA No. 1 are considered Undeveloped Property. The table below indicates the current amount of Developed Property and Undeveloped Property within IA No. 1.

### **Improvement Area No. 1 Cumulative Developed Property and Undeveloped Property**

#### **Zone A**

<b>Land Use Class</b>	<b>Description</b>	<b>Residential Floor Area</b>	<b>Number of Units/Acres</b>
1	Residential Property	> 2,500 s.f.	38 units
2	Residential Property	2,350 – 2,500 s.f.	29 units
3	Residential Property	2,175 – 2,349 s.f.	53 units
4	Residential Property	2,050 – 2,174 s.f.	28 units
5	Residential Property	< 2,050 s.f.	19 units
6	Non-Residential Property	NA	0 acres
NA	Undeveloped Property	NA	15.30 acres

**Zone B**

<b>Land Use Class</b>	<b>Description</b>	<b>Residential Floor Area</b>	<b>Number of Units/Acres</b>
1	Residential Property	> 3,700 s.f.	11 units
2	Residential Property	3,450 – 3,700 s.f.	0 units
3	Residential Property	3,200 – 3,449 s.f.	22 units
4	Residential Property	3,000 – 3,199 s.f.	13 units
5	Residential Property	< 3,000 s.f.	24 units
6	Non-Residential Property	NA	0 acres
NA	Undeveloped Property	NA	31.78 acres

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### *III. Fiscal Year 2008-2009 Special Tax Levy*

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The total special tax levy for fiscal year 2008-2009 equaled \$443,014. As of May 13, 2009, \$417,894 in special taxes had been collected by the County. The remaining \$25,120 in special taxes are delinquent, resulting in a delinquency rate of 5.67 percent.

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#### ***IV. Fiscal Year 2009-2010 Special Tax Requirement***

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Since bonds have not yet been issued for IA No. 1, the Assigned Special Tax can be levied on Developed Property to pay for the direct construction or acquisition of facilities eligible to be financed by IA No. 1 and annual administrative expenses as provided for by the RMA for IA No. 1. However, the County has decided to limit the fiscal year 2009-2010 special tax levy to 80% of the Assigned Special Tax.

Therefore, the total amount of special taxes from Developed Property for fiscal year 2009-2010 is equal to \$613,068, of which \$563,068 will be used to pay for the direct construction or acquisition of facilities eligible to be financed by IA No. 1 and \$50,000 will be used for administrative expenses.



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## ***V. Method of Apportionment***

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### **Maximum Special Tax Rates**

The amount of special taxes that IA No. 1 may levy is strictly limited by the maximum rates set forth in Section C of the Rate and Method of Apportionment.<sup>1</sup>

The fiscal year 2009-2010 maximum special tax rates for Developed property are shown in the tables on the following page. The maximum special tax rates do not escalate.

### **Apportionment of Special Taxes**

The special tax that is apportioned to each parcel is determined through the application of Section D of the Rate and Method of Apportionment. The Board of Supervisors shall first determine the Special Tax Requirement. Section D apportions the special tax requirement in four steps that prioritize the order in which Developed Property and Undeveloped Property are taxed.

The first step states that the special tax shall be levied against each parcel of Developed Property at up to 100% of the applicable Assigned Special Tax until the amount of the Special Taxes equals the Special Tax Requirement. If the special taxes raised pursuant to the first step are less than the special tax requirement, then the second step is applied. The second step states that the special tax shall be levied against each parcel of Undeveloped Property at up to 100 percent of the maximum special tax for Undeveloped Property.

The third and fourth steps are designed to accommodate changes in land use and are intended to be used only as a last resort. Since actual land uses have not substantially deviated from the original projections, these steps are not necessary.

Application of the first step generates special tax revenues of \$766,335 from Developed Property. As stated earlier, since bonds have not been issued, the County has decided to limit the fiscal year 2009-2010 special tax levy to 80% of the Assigned Special Tax.

The fiscal year 2009-2010 maximum and actual special tax rates are shown for Developed Property in the following table. The Special Tax Roll, which lists the actual special tax levied against each parcel, is shown in Exhibit A.

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<sup>1</sup> Technically, Section C states that the maximum special tax for a parcel of Developed Property is equal to the greater of (i) the "Backup Special Tax" or (ii) the Assigned Special Tax. The Backup Special Tax was established for the contingency of a shortfall in revenues resulting from significant changes in development densities. The contingency for which the Backup Special Tax was established does not exist and hence, all discussion of maximum tax rates for Developed Property focuses on the Assigned Special Tax.

**County of San Bernardino  
Fiscal Year 2009-2010  
Maximum Special Taxes  
Improvement Area No. 1**

**Zone A**

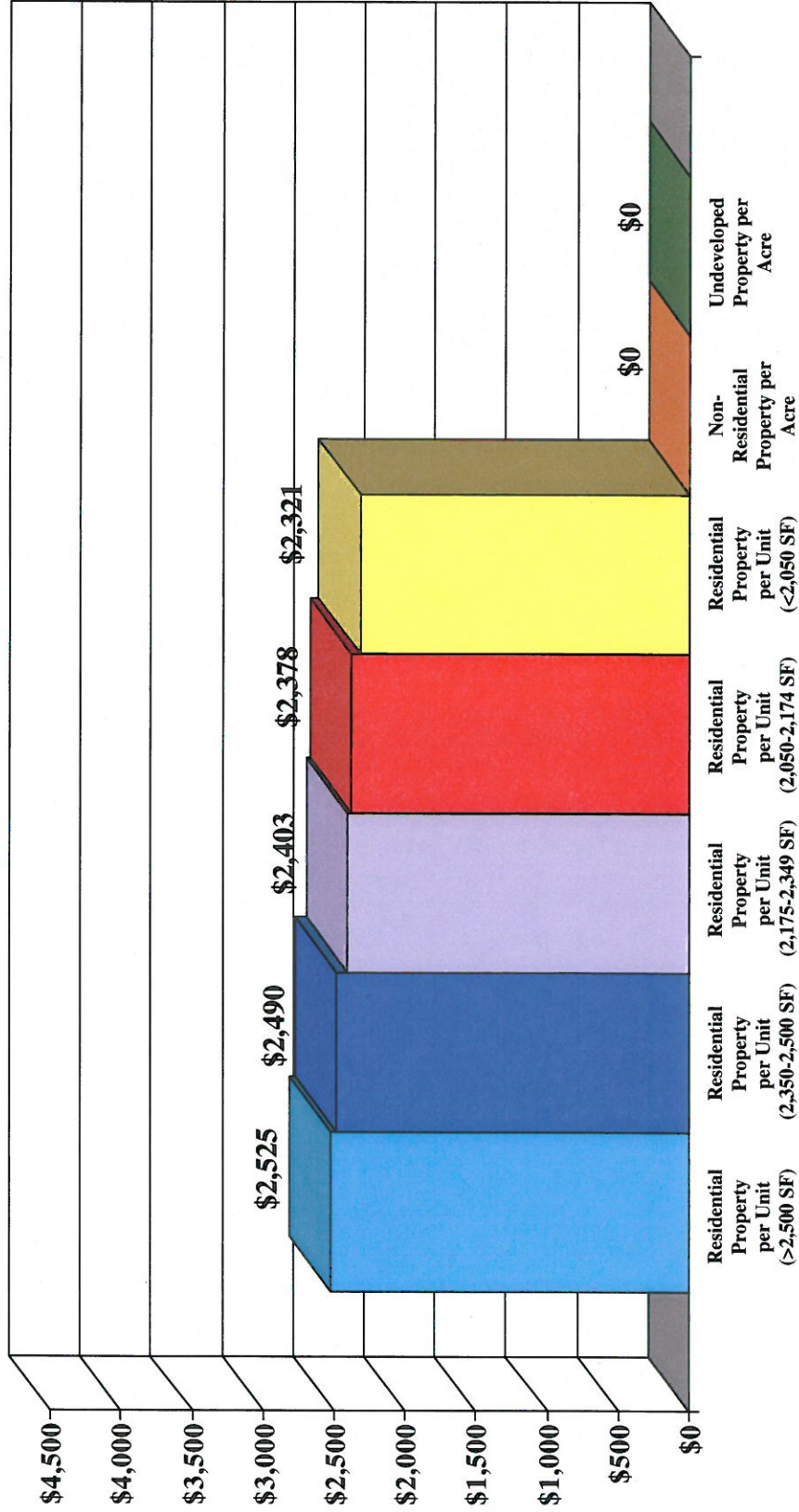
<b>Land Use Class</b>	<b>Description</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>	<b>FY 2009-2010 Actual Special Tax</b>
1	Residential Property	> 2,500 s.f.	\$3,156.00 per unit	\$2,524.80 per unit
2	Residential Property	2,350 – 2,500 s.f.	\$3,113.00 per unit	\$2,490.40 per unit
3	Residential Property	2,175 – 2,349 s.f.	\$3,004.00 per unit	\$2,403.20 per unit
4	Residential Property	2,050 – 2,174 s.f.	\$2,972.00 per unit	\$2,377.60 per unit
5	Residential Property	< 2,050 s.f.	\$2,901.00 per unit	\$2,320.80 per unit
6	Non-Residential Property	NA	\$26,775.00 per Acre	\$0.00 per acre

**Zone B**

<b>Land Use Class</b>	<b>Description</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>	<b>FY 2009-2010 Actual Special Tax</b>
1	Residential Property	> 3,700 s.f.	\$4,028.00 per unit	\$3,222.40 per unit
2	Residential Property	3,450 – 3,700 s.f.	\$3,872.00 per unit	\$0.00 per unit
3	Residential Property	3,200 – 3,449 s.f.	\$3,804.00 per unit	\$3,043.20 per unit
4	Residential Property	3,000 – 3,199 s.f.	\$3,615.00 per unit	\$2,892.00 per unit
5	Residential Property	< 3,000 s.f.	\$3,483.00 per unit	\$2,786.40 per unit
6	Non-Residential Property	NA	\$22,890.00 per Acre	\$0.00 per acre

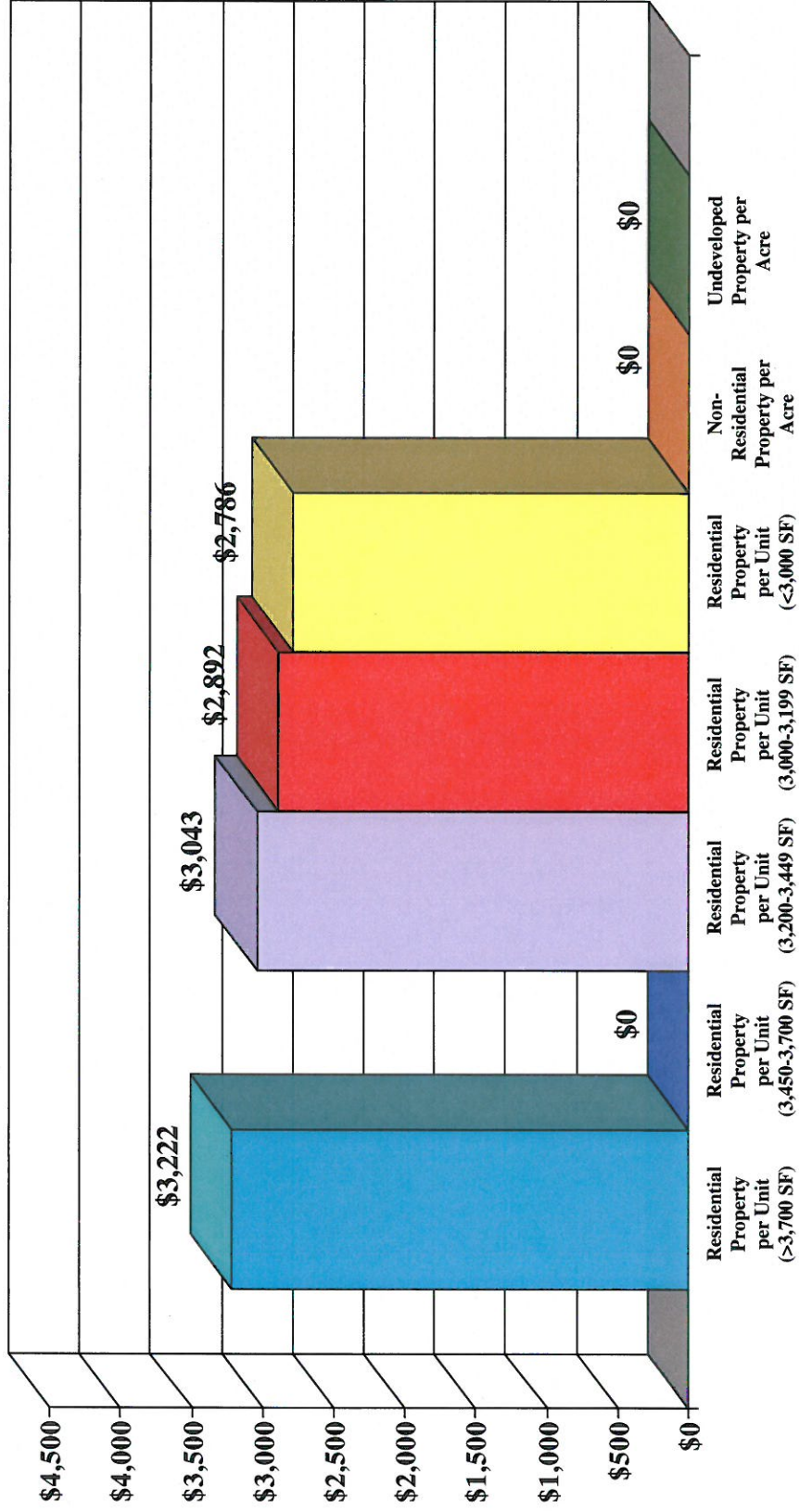
**County of San Bernardino  
IA No. 1 of Community Facilities District No. 2006-1  
(Lytle Creek North)**

**Fiscal Year 2009-2010 Actual Special Tax Levy  
Zone A**



**County of San Bernardino  
IA No. 1 of Community Facilities District No. 2006-1  
(Lytle Creek North)**

**Fiscal Year 2009-2010 Actual Special Tax Levy  
Zone B**



**EXHIBIT A**

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*County of San Bernardino  
Improvement Area No. 1 of  
Community Facilities District No. 2006-1*

*Special Tax Roll  
Fiscal Year 2009-2010*

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## Exhibit A

**County of San Bernardino IA No. 1 of CFD No. 2006-1  
FY 2009-2010 Special Tax Levy**

<u>Assessor's Parcel Number</u>	<u>FY 2009-10 Special Tax</u>
<b><u>ZONE A</u></b>	
0239-884-10	\$2,524.80
0239-884-11	\$2,403.20
0239-884-12	\$2,490.40
0239-884-13	\$2,524.80
0239-884-14	\$2,490.40
0239-884-15	\$2,524.80
0239-884-24	\$2,524.80
0239-884-25	\$2,490.40
0239-884-26	\$2,524.80
0239-884-27	\$2,403.20
0239-884-28	\$2,524.80
0239-884-29	\$2,490.40
0239-884-30	\$2,524.80
0239-884-31	\$2,490.40
0239-884-32	\$2,403.20
0239-884-33	\$2,524.80
0239-884-34	\$2,490.40
0239-884-35	\$2,524.80
0239-884-36	\$2,403.20
0239-884-37	\$2,403.20
0239-884-38	\$2,490.40
0239-884-39	\$2,524.80
0239-892-01	\$2,524.80
0239-892-02	\$2,490.40
0239-892-03	\$2,403.20
0239-892-04	\$2,524.80
0239-892-05	\$2,490.40
0239-892-06	\$2,403.20
0239-892-07	\$2,524.80
0239-892-08	\$2,490.40
0239-892-14	\$2,403.20
0239-892-15	\$2,377.60
0239-892-16	\$2,403.20
0239-892-17	\$2,377.60
0239-892-18	\$2,320.80
0239-892-19	\$2,403.20
0239-892-20	\$2,320.80
0239-892-21	\$2,403.20
0239-892-22	\$2,377.60
0239-892-23	\$2,403.20
0239-892-24	\$2,377.60
0239-892-25	\$2,403.20
0239-892-26	\$2,320.80
0239-892-28	\$2,524.80
0239-892-29	\$2,490.40



## Exhibit A

**County of San Bernardino IA No. 1 of CFD No. 2006-1  
FY 2009-2010 Special Tax Levy**

<u>Assessor's Parcel Number</u>	<u>FY 2009-10 Special Tax</u>
0239-892-30	\$2,524.80
0239-892-31	\$2,490.40
0239-892-32	\$2,403.20
0239-892-33	\$2,524.80
0239-892-34	\$2,490.40
0239-892-35	\$2,403.20
0239-892-36	\$2,524.80
0239-892-37	\$2,490.40
0239-892-38	\$2,377.60
0239-892-39	\$2,403.20
0239-892-40	\$2,377.60
0239-892-41	\$2,403.20
0239-892-42	\$2,377.60
0239-892-43	\$2,320.80
0239-892-44	\$2,403.20
0239-892-45	\$2,377.60
0239-892-46	\$2,320.80
0239-892-47	\$2,403.20
0239-892-48	\$2,377.60
0239-892-49	\$2,377.60
0239-892-50	\$2,403.20
0239-892-51	\$2,320.80
0239-892-52	\$2,377.60
0239-892-53	\$2,403.20
0239-892-54	\$2,377.60
0239-892-55	\$2,403.20
0239-892-56	\$2,320.80
0239-892-60	\$2,403.20
0239-892-61	\$2,377.60
0239-892-62	\$2,403.20
0239-892-63	\$2,377.60
0239-892-64	\$2,403.20
0239-892-65	\$2,320.80
0239-892-66	\$2,403.20
0239-892-67	\$2,320.80
0239-892-68	\$2,377.60
0239-892-69	\$2,403.20
0239-892-70	\$2,320.80
0239-892-71	\$2,403.20
0239-892-72	\$2,377.60
0239-892-76	\$2,524.80
0239-892-77	\$2,490.40
0239-892-78	\$2,524.80
0239-892-79	\$2,403.20
0239-892-80	\$2,490.40
0239-893-02	\$2,320.80
0239-893-03	\$2,377.60

## Exhibit A

**County of San Bernardino IA No. 1 of CFD No. 2006-1  
FY 2009-2010 Special Tax Levy**

<u>Assessor's Parcel Number</u>	<u>FY 2009-10 Special Tax</u>
0239-893-04	\$2,403.20
0239-893-06	\$2,403.20
0239-893-08	\$2,320.80
0239-893-09	\$2,377.60
0239-893-10	\$2,403.20
0239-893-11	\$2,320.80
0239-893-12	\$2,403.20
0239-893-13	\$2,377.60
0239-893-14	\$2,377.60
0239-893-15	\$2,403.20
0239-893-16	\$2,377.60
0239-893-17	\$2,320.80
0239-893-25	\$2,524.80
0239-893-26	\$2,403.20
0239-893-27	\$2,490.40
0239-893-28	\$2,524.80
0239-893-29	\$2,403.20
0239-893-38	\$2,403.20
0239-893-39	\$2,490.40
0239-893-40	\$2,524.80
0239-893-47	\$2,490.40
0239-893-48	\$2,524.80
0239-893-49	\$2,490.40
0239-893-50	\$2,524.80
0239-893-51	\$2,403.20
0239-893-52	\$2,524.80
0239-893-53	\$2,490.40
0239-893-54	\$2,524.80
0239-893-55	\$2,490.40
0239-893-56	\$2,524.80
0239-893-57	\$2,403.20
0239-896-01	\$2,403.20
0239-896-02	\$2,377.60
0239-896-03	\$2,403.20
0239-896-04	\$2,377.60
0239-896-05	\$2,403.20
0239-896-06	\$2,320.80
0239-896-07	\$2,403.20
0239-896-08	\$2,377.60
0239-896-09	\$2,320.80
0239-896-10	\$2,403.20
0239-896-11	\$2,524.80
0239-896-12	\$2,403.20
0239-896-13	\$2,524.80
0239-896-14	\$2,490.40
0239-896-15	\$2,524.80
0239-896-16	\$2,490.40



## Exhibit A

County of San Bernardino IA No. 1 of CFD No. 2006-1  
FY 2009-2010 Special Tax Levy

<u>Assessor's Parcel Number</u>	<u>FY 2009-10 Special Tax</u>
0239-896-17	\$2,524.80
0239-896-18	\$2,490.40
0239-896-19	\$2,524.80
0239-896-20	\$2,490.40
0239-896-21	\$2,524.80
0239-896-22	\$2,403.20
0239-896-24	\$2,377.60
0239-896-25	\$2,320.80
0239-896-26	\$2,377.60
0239-896-27	\$2,403.20
0239-896-28	\$2,320.80
0239-896-30	\$2,524.80
0239-896-31	\$2,490.40
0239-896-32	\$2,403.20
0239-896-33	\$2,524.80
0239-896-34	\$2,490.40
0239-896-35	\$2,524.80
0239-896-36	\$2,403.20
0239-896-37	\$2,524.80
0239-896-38	\$2,490.40
0239-896-39	\$2,524.80
0239-896-40	\$2,403.20
0239-896-41	\$2,377.60
0239-896-42	\$2,403.20
0239-896-43	\$2,320.80
0239-896-44	\$2,403.20
0239-896-45	\$2,377.60
0239-896-46	\$2,403.20
<b><i>Subtotal Levy</i></b>	<b><i>\$406,201.60</i></b>
<b><i>Subtotal Parcels Taxed</i></b>	<b><i>167</i></b>
 <b><u>ZONE B</u></b>	
0239-882-01	\$3,222.40
0239-882-02	\$3,043.20
0239-883-01	\$3,222.40
0239-883-02	\$3,043.20
0239-883-03	\$3,043.20
0239-883-04	\$3,222.40
0239-883-05	\$3,043.20
0239-883-09	\$3,043.20
0239-883-10	\$3,222.40
0239-883-11	\$3,043.20
0239-883-12	\$3,222.40
0239-883-13	\$3,043.20
0239-883-14	\$2,786.40
0239-883-15	\$2,892.00
0239-883-16	\$2,786.40

## Exhibit A

**County of San Bernardino IA No. 1 of CFD No. 2006-1  
FY 2009-2010 Special Tax Levy**

<u>Assessor's Parcel Number</u>	<u>FY 2009-10 Special Tax</u>
0239-883-57	\$3,043.20
0239-883-58	\$3,043.20
0239-883-59	\$3,043.20
0239-884-07	\$2,892.00
0239-884-08	\$2,786.40
0239-884-09	\$2,786.40
0239-886-01	\$3,043.20
0239-886-02	\$3,222.40
0239-886-03	\$3,043.20
0239-886-04	\$3,043.20
0239-886-05	\$3,222.40
0239-886-06	\$3,043.20
0239-893-58	\$2,786.40
0239-893-59	\$2,892.00
0239-893-60	\$2,786.40
0239-893-61	\$2,892.00
0239-893-62	\$3,043.20
0239-893-63	\$3,043.20
0239-893-64	\$3,222.40
0239-894-01	\$2,892.00
0239-894-02	\$2,786.40
0239-894-03	\$2,892.00
0239-894-22	\$2,786.40
0239-894-23	\$2,786.40
0239-894-24	\$2,892.00
0239-894-29	\$2,786.40
0239-894-30	\$2,786.40
0239-894-31	\$2,786.40
0239-894-32	\$2,786.40
0239-894-33	\$2,786.40
0239-894-34	\$2,786.40
0239-894-35	\$2,892.00
0239-894-36	\$2,786.40
0239-894-37	\$2,892.00
0239-894-38	\$2,892.00
0239-894-39	\$2,786.40
0239-894-40	\$2,786.40
0239-894-41	\$2,892.00
0239-894-42	\$2,786.40
0239-894-43	\$2,786.40
0239-894-44	\$2,892.00
0239-894-45	\$2,786.40
0239-894-46	\$2,892.00
0239-894-47	\$2,786.40
0239-894-48	\$2,786.40
0239-894-49	\$2,786.40
0239-895-09	\$3,043.20

## Exhibit A

County of San Bernardino IA No. 1 of CFD No. 2006-1  
FY 2009-2010 Special Tax Levy

<u>Assessor's Parcel Number</u>	<u>FY 2009-10 Special Tax</u>
0239-895-10	\$3,043.20
0239-895-11	\$3,222.40
0239-895-12	\$3,043.20
0239-895-13	\$3,222.40
0239-895-14	\$3,043.20
0239-895-17	\$3,222.40
0239-895-18	\$3,043.20
0239-895-19	\$3,043.20
<i>Subtotal Levy</i>	<i>\$206,866.40</i>
<i>Subtotal Parcels Taxed</i>	<i>70</i>
<b>Total FY 2009-10 Special Tax Levy</b>	<b>\$613,068.00</b>
<b>Total Number of Parcels Taxed</b>	<b>237</b>

*Public Finance, Urban Economics, Planning*

5000 Birch Street, Suite 6000  
 Newport Beach, CA 92660  
 Tel (949) 955-1500  
 Fax (949) 955-1590

*Newport Beach • Riverside • Walnut Creek*

**LETTER OF TRANSMITTAL**

**DATE: 06/03/09**

**FROM:** Andrea Roess

**TO:** Jeff Rigney

County of San Bernardino  
 157 West 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
 San Bernardino, CA 92415

**Cc:** Gail Joe

<b>DTA is sending you:</b>	<input type="checkbox"/>	<b>DRAFT</b>	<input type="checkbox"/>	<b>FINAL</b>	<input checked="" type="checkbox"/>	<b>OTHER (see below)</b>
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**TRANSMITTAL DETAIL:**

**DESCRIPTION**

**COPIES**

Administration Report FY 2009-2010:	
- San Bernardino CFD No. 2003-1	1 bound each (Jeff & Gail)
- San Bernardino CFD No. 2006-1	1 bound each (Jeff & Gail)
- San Bernardino CFD No. 2006-1 IA No. 1	1 bound each (Jeff & Gail)
- Exhibit A for your use with the Resolution at the 6/23/09 Board meeting	1 copy each (Jeff & Gail)

*THE ABOVE IS TRANSMITTED* as checked below:

As requested	<input type="checkbox"/>	For approval	<input checked="" type="checkbox"/>	For your use	<input type="checkbox"/>	Other (See comments below)
Return to DTA with any comments/revisions no later than _____ via:						
	<input checked="" type="checkbox"/>	1st Class Mail	<input type="checkbox"/>	Courier	<input type="checkbox"/>	Facsimile

**COMMENTS:**

Please find enclosed FY 09-10 administration reports for CFD Nos. 2003-1, 2006-1, and CFD No. 2006-1 IA No. 1 and Exhibit A to be approved by the County Board of Supervisors at the June 23<sup>rd</sup> 2009 Board meeting.  
 Please call me should you have any questions at (949) 955-1500.  
 Respectfully,  
 Andrea Roess