

DAVID
TAUSSIG
& *Associates, Inc.*

**COUNTY OF SAN BERNARDINO
IMPROVEMENT AREA NO. 4 OF
COMMUNITY FACILITIES DISTRICT
No. 2006-1
(LYTLE CREEK NORTH)**

May 18, 2015

*Public Finance
Facilities Planning
Urban Economics*

Newport Beach
Riverside
San Francisco
San Jose
Dallas

**ADMINISTRATION REPORT
FISCAL YEAR 2015-2016**

**COUNTY OF SAN BERNARDINO
IMPROVEMENT AREA NO. 4 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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EXHIBITS

- Exhibit A: Boundary Map*
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I. Introduction

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. 4 ("IA No. 4") 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 2015-2016.

CFD No. 2006-1 is a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982, (the "Act") as amended. At the time of formation, CFD No. 2006-1 included two improvement areas: Improvement Area No. 1 ("IA No. 1") and Improvement Area M ("IA M"). Within IA M, future improvement areas are expected to be designated as property is ready for development. In 2014, certain property within IA M was designated as IA No. 4. A map showing the property in IA No. 4 is included in Exhibit A.

The Act provides an alternative method for the financing of certain public facilities and services. Specifically, IA No. 4 of CFD No. 2006-1 is authorized to issue up to \$10,000,000 in bonds. In calculating the special tax liability for fiscal year 2015-2016, this report examines the financial obligations of the current fiscal year and analyzes the level of development within IA No. 4.

This report is organized into the following sections:

Section II

Section II provides an update of the development activity occurring within IA No. 4.

Section III

Section III determines the financial obligations of IA No. 4 for fiscal year 2015-2016.

Section IV

Section IV reviews the methodology used to apportion the special tax requirement to Developed Property and Undeveloped Property. A table of the 2015-2016 special tax rates for Developed Property and Undeveloped Property is included.

II. Special Tax Classifications and Development Update

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. 4, the category of Developed Property is in turn divided into separate special tax classifications, eight for Zone A and 15 for Zone B, 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 prior to March 1 of the prior Fiscal Year and that is within a final map that was recorded as of January 1 of the prior Fiscal Year will be classified as Developed Property in the following fiscal year. For example, all property in IA No. 4 for which a building permit was issued prior to March 1, 2015 and that is within a final map that was recorded as of January 1, 2015, will be classified as Developed Property in fiscal year 2015-2016.

Development Update

Review of the County of San Bernardino’s building permit records indicate that prior to March 1, 2015 building permits for 8 units of residential property in Zone A and 88 units of residential property in Zone B had been issued within IA No. 4. A total of 11.18 acres in Zone A and 19.86 acres in Zone B are considered Undeveloped Property in IA No. 4. In addition, three tract maps had been recorded as of January 1, 2015, and there is no unmapped property in IA No. 4. The tables below indicate tract maps recorded as of January 1, 2015 and the current amount of Developed Property and Undeveloped Property within IA No. 4.

Improvement Area No. 4 Tract Maps Recorded as of January 1, 2015

Tract Map No.	Zone	Number of Taxable Lots	Date of Recordation
16978-5	B	140 units	February 2014
16845-3	B	115 units	August 2014
16978	A	69 units	December 2014
Total	NA	324 units	NA

**Improvement Area No. 4
Cumulative Developed Property and Undeveloped Property**

Zone A

Land Use Class	Description	Residential Floor Area	Number of Units/Acres
1	Residential Property	> 2,500 s.f.	8 units
2	Residential Property	2,301 to 2,500 s.f.	0 units
3	Residential Property	2,101 to 2,300 s.f.	0 units
4	Residential Property	1,901 to 2,100 s.f.	0 units
5	Residential Property	1,701 to 1,900 s.f.	0 units
6	Residential Property	1,501 to 1,700 s.f.	0 units
7	Residential Property	< 1,501 s.f.	0 units
8	Non-Residential Property	NA	0.00 acres
NA	Undeveloped Property	NA	11.18 acres

Zone B

Land Use Class	Description	Residential Floor Area	Number of Units/Acres
1	Residential Property	> 4,200 s.f.	0 units
2	Residential Property	4,001 to 4,200 s.f.	0 units
3	Residential Property	3,801 to 4,000 s.f.	0 units
4	Residential Property	3,601 to 3,800 s.f.	0 units
5	Residential Property	3,401 to 3,600 s.f.	0 units
6	Residential Property	3,201 to 3,400 s.f.	0 units
7	Residential Property	3,001 to 3,200 s.f.	0 units
8	Residential Property	2,801 to 3,000 s.f.	0 units
9	Residential Property	2,601 to 2,800 s.f.	6 units
10	Residential Property	2,401 to 2,600 s.f.	0 units
11	Residential Property	2,201 to 2,400 s.f.	39 units
12	Residential Property	2,001 to 2,200 s.f.	0 units
13	Residential Property	1,801 to 2,000 s.f.	32 units
14	Residential Property	< 1,801 s.f.	31 units
12	Non-Residential Property	NA	0.00 acres
NA	Undeveloped Property	NA	19.86 acres

III. Fiscal Year 2015-2016 Special Tax Requirement

Since bonds have not yet been issued for IA No. 4, 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. 4 and annual administrative expenses as provided for by the RMA for IA No. 4.

Therefore, the total amount of special taxes from Developed Property for fiscal year 2015-2016 is equal to \$184,641, of which \$154,641 is budgeted for the direct acquisition or construction of facilities, and \$30,000 is budgeted for annual administrative expenses.

IV. Method of Apportionment

Maximum Special Tax Rates

The amount of special taxes that IA No. 4 may levy is strictly limited by the maximum rates set forth in Section C of the Rate and Method of Apportionment.¹

The fiscal year 2015-2016 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 E of the Rate and Method of Apportionment. The Board of Supervisors shall first determine the Special Tax Requirement. Section E 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 \$184,641 from Developed Property.

The fiscal year 2015-2016 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 B.

¹ 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 2015-2016
Maximum Special Taxes
Improvement Area No. 4**

Zone A

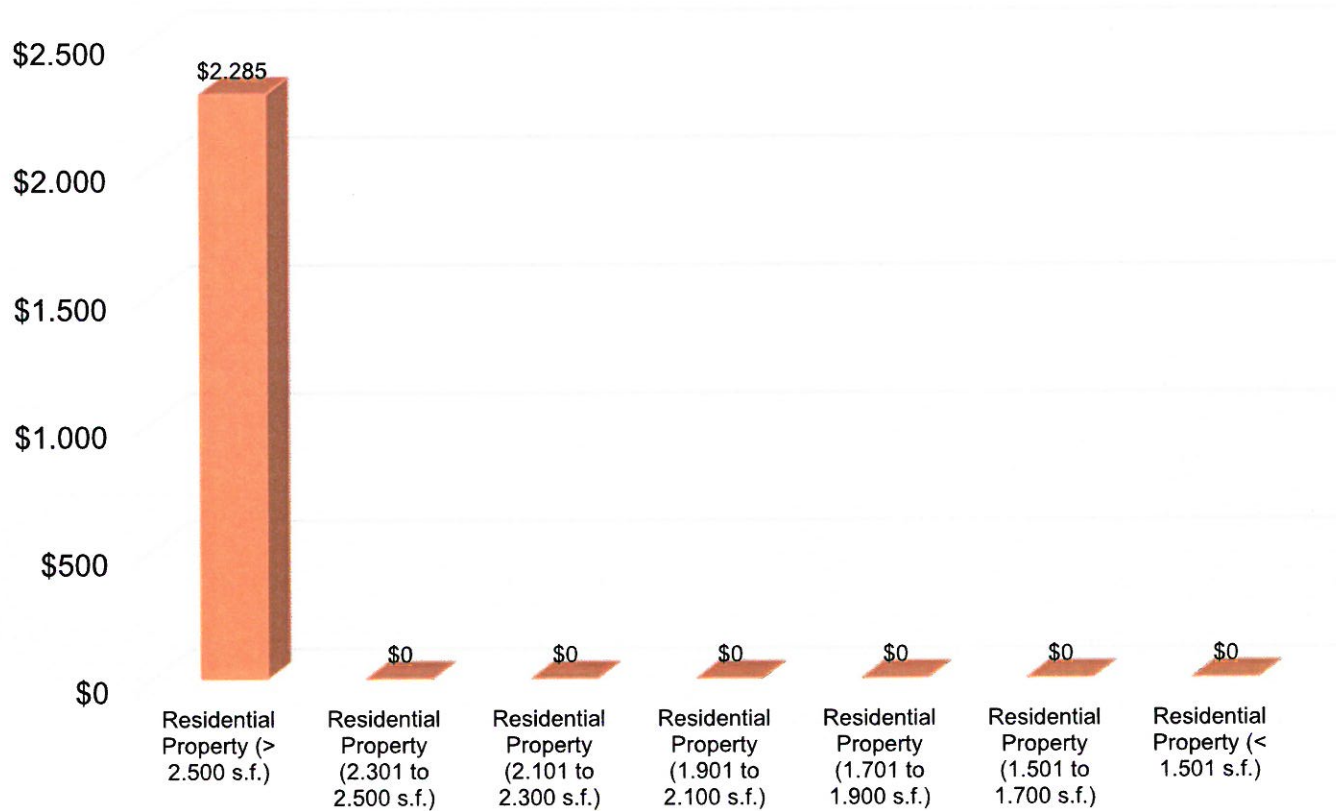
Land Use Class	Description	Residential Floor Area	Maximum Special Tax	FY 2015-2016 Actual Special Tax
1	Residential Property	> 2,500 s.f.	\$2,285.00 per unit	\$2,285.00 per unit
2	Residential Property	2,301 to 2,500 s.f.	\$2,182.00 per unit	\$0.00 per unit
3	Residential Property	2,101 to 2,300 s.f.	\$2,074.00 per unit	\$0.00 per unit
4	Residential Property	1,901 to 2,100 s.f.	\$1,981.00 per unit	\$0.00 per unit
5	Residential Property	1,701 to 1,900 s.f.	\$1,943.00 per unit	\$0.00 per unit
6	Residential Property	1,501 to 1,700 s.f.	\$1,819.00 per unit	\$0.00 per unit
7	Residential Property	< 1,501 s.f.	\$1,763.00 per unit	\$0.00 per unit
8	Non-Residential Property	NA	\$18,790.00 per Acre	\$0.00 per acre

Zone B

Land Use Class	Description	Residential Floor Area	Maximum Special Tax	FY 2015-2016 Actual Special Tax
1	Residential Property	> 4,200 s.f.	\$2,725.00 per unit	\$0.00 per unit
2	Residential Property	4,001 to 4,200 s.f.	\$2,683.00 per unit	\$0.00 per unit
3	Residential Property	3,801 to 4,000 s.f.	\$2,579.00 per unit	\$0.00 per unit
4	Residential Property	3,601 to 3,800 s.f.	\$2,475.00 per unit	\$0.00 per unit
5	Residential Property	3,401 to 3,600 s.f.	\$2,372.00 per unit	\$0.00 per unit
6	Residential Property	3,201 to 3,400 s.f.	\$2,301.00 per unit	\$0.00 per unit
7	Residential Property	3,001 to 3,200 s.f.	\$2,231.00 per unit	\$0.00 per unit
8	Residential Property	2,801 to 3,000 s.f.	\$2,163.00 per unit	\$0.00 per unit
9	Residential Property	2,601 to 2,800 s.f.	\$2,098.00 per unit	\$2,098.00 per unit
10	Residential Property	2,401 to 2,600 s.f.	\$1,993.00 per unit	\$0.00 per unit
11	Residential Property	2,201 to 2,400 s.f.	\$1,987.00 per unit	\$1,987.00 per unit
12	Residential Property	2,001 to 2,200 s.f.	\$1,822.00 per unit	\$0.00 per unit
13	Residential Property	1,801 to 2,000 s.f.	\$1,787.00 per unit	\$1,787.00 per unit
14	Residential Property	< 1,801 s.f.	\$1,736.00 per unit	\$1,736.00 per unit
15	Non-Residential Property	NA	\$15,553.00 per Acre	\$0.00 per acre

taussig-client/San Bernardino County/Admin/15_16/CFD 2006-1

County of San Bernardino
Improvement Area No. 4 of Community Facilities District No. 2006-1
(Lytle Creek North)
Fiscal Year 2015-2016 Actual Special Tax Rates
Developed Residential Property
Zone A



County of San Bernardino
Improvement Area No. 4 of Community Facilities District No. 2006-1
(Lytle Creek North)
Fiscal Year 2015-2016 Actual Special Tax Rates
Developed Residential Property
Zone B

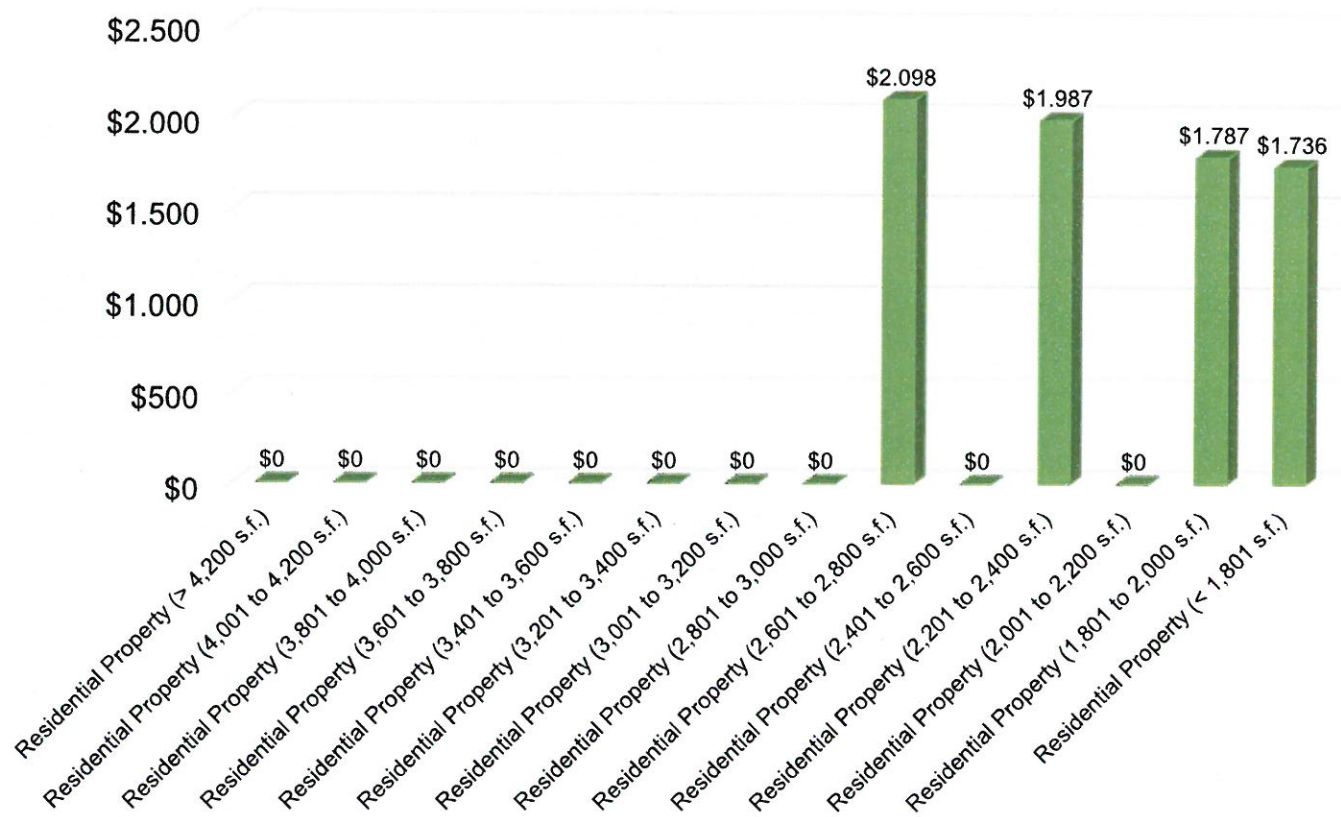


EXHIBIT A

*County of San Bernardino
Improvement Area No. 4 of
Community Facilities District No. 2006-1*

Boundary Map

County of San Bernardino
 Community Facilities District No. 2006-1
 (Lytle Creek North)
 Improvement Area M
 and Improvement Area Nos. 1, 2, 3, 4



Legend

- Improvement Area No. 1 - Zone A
- Improvement Area No. 1 - Zone B
- Improvement Area No. 2
- Improvement Area No. 3 - Zone A
- Improvement Area No. 3 - Zone B
- Improvement Area No. 4 - Zone A
- Improvement Area No. 4 - Zone B
- Improvement Area M

EXHIBIT B

*County of San Bernardino
Improvement Area No. 4 of
Community Facilities District No. 2006-1*

*Special Tax Roll
Fiscal Year 2015-2016*

Exhibit B

**County of San Bernardino IA No. 4 of CFD No. 2006-1
FY 2015-2016 Special Tax Levy**

<u>Assessor's Parcel Number</u>	<u>FY 2015-16 Special Tax</u>
0239-822-01	1,987.00
0239-822-02	1,736.00
0239-822-03	1,787.00
0239-822-04	1,987.00
0239-822-05	1,736.00
0239-822-06	1,787.00
0239-822-07	1,987.00
0239-822-08	1,787.00
0239-822-09	1,736.00
0239-822-10	1,987.00
0239-822-20	1,787.00
0239-822-21	1,987.00
0239-822-22	1,787.00
0239-822-23	1,736.00
0239-822-24	1,987.00
0239-822-25	1,787.00
0239-822-26	1,987.00
0239-822-27	1,736.00
0239-822-28	1,987.00
0239-822-29	1,787.00
0239-822-30	1,987.00
0239-822-31	1,787.00
0239-822-32	1,736.00
0239-822-33	1,787.00
0239-823-20	1,787.00
0239-823-21	1,987.00
0239-823-22	1,736.00
0239-823-23	1,787.00
0239-823-24	1,987.00
0239-823-25	1,736.00
0239-823-26	1,787.00
0239-823-27	1,987.00
0239-823-51	1,787.00
0239-823-52	1,736.00
0239-823-53	1,987.00
0239-823-54	1,787.00
0239-823-55	1,736.00
0239-823-56	1,987.00
0239-823-57	1,787.00
0239-823-58	1,736.00
0239-912-25	1,987.00
0239-912-26	1,987.00
0239-912-27	1,987.00
0239-912-28	1,987.00
0239-912-29	1,787.00

Exhibit B**County of San Bernardino IA No. 4 of CFD No. 2006-1
FY 2015-2016 Special Tax Levy**

<u>Assessor's Parcel Number</u>	<u>FY 2015-16 Special Tax</u>
0239-912-30	1,987.00
0239-912-31	1,787.00
0239-912-32	1,987.00
0239-912-33	1,787.00
0239-912-34	1,987.00
0239-912-35	2,098.00
0239-912-36	1,987.00
0239-912-37	1,787.00
0239-912-38	1,987.00
0239-912-39	1,787.00
0239-912-40	1,987.00
0239-912-41	1,787.00
0239-912-42	1,987.00
0239-912-43	1,787.00
0239-912-44	2,098.00
0239-912-45	1,987.00
0239-912-46	1,787.00
0239-912-47	1,987.00
0239-912-48	1,787.00
0239-912-49	1,987.00
0239-912-50	1,787.00
0239-912-51	2,098.00
0239-912-52	1,787.00
0239-912-53	1,987.00
0239-912-54	1,787.00
0239-912-55	2,098.00
0239-912-56	1,787.00
0239-912-57	1,987.00
0239-912-58	1,787.00
0239-912-59	2,098.00
0239-912-60	1,787.00
0239-912-61	1,987.00
0239-923-63	1,987.00
0239-923-64	1,987.00
0239-923-65	1,987.00
0239-923-66	1,987.00
0239-923-67	1,987.00
0239-923-68	1,987.00
0239-923-69	1,787.00
0239-923-70	1,987.00
0239-923-71	1,787.00
0239-923-72	2,098.00
0239-923-73	1,987.00
0239-952-03	2,285.00
0239-952-04	2,285.00
0239-952-05	2,285.00

Exhibit B

**County of San Bernardino IA No. 4 of CFD No. 2006-1
FY 2015-2016 Special Tax Levy**

<u>Assessor's Parcel Number</u>	<u>FY 2015-16 Special Tax</u>
0239-952-06	2,285.00
0239-952-07	2,285.00
0239-952-08	2,285.00
0239-952-09	2,285.00
0239-952-10	2,285.00
Total FY 2015-16 Special Tax Levy	\$184,641.00
Total Number of Parcels Taxed	96

DTA DAVID TAUSSIG & ASSOCIATES

Public Finance and Urban Economics

5000 Birch Street, Ste. 6000, Newport Beach, CA 92660

Phone: 949.955.1500 / Fax: 949.955.1590

January 28, 2016

AUDITOR/CONTROLLER-RECORDER

Property Tax Section

Attention: Glen Lastimoso

222 West Hospitality Lane, 2nd Floor

San Bernardino, CA 92415-0018

Subject: Request for Corrections for County of San Bernardino CFD No. 2006-1, IA No. 4 (UQ16 ST01)

Dear Glen:

This letter hereby requests the following corrections for the parcels in the County of San Bernardino CFD No. 2006-1, IA No. 4 (UQ16 ST01) indicated below.

Assessor's Parcel No.	Fiscal Year	Agency Number	Account Number	Original Amount	Corrected Amount
0239-952-03-0000	2015-2016	UQ16	ST01	\$2,285.00	\$2,231.00
0239-952-07-0000	2015-2016	UQ16	ST01	\$2,285.00	\$2,231.00
0239-952-09-0000	2015-2016	UQ16	ST01	\$2,285.00	\$2,231.00

The assessments need to be corrected as the result of an error.

Sincerely,



Andrea Roess
Managing Director

CC: Jeff Rigney, County of San Bernardino
Gail Joe, County of San Bernardino

taussig-client/San Bernardino County/Admin.'15_16/CFD 2006-1/Docs

Joe, Gail

From: Nehal Thumar <nthumar@taussig.com>
Sent: Thursday, January 28, 2016 3:48 PM
To: Lastimosa, Glen - ATC
Cc: Rigney, Jeff; Joe, Gail; Andrea Roess; Christina Nguyen
Subject: County of San Bernardino CFD No. 2006-1, IA No. 4 Roll Corrections
Attachments: CFD 2006-1 IA 4 Roll Correction Letter 1-28-16.pdf

Glen -

Please find attached a letter requesting roll corrections for the County of San Bernardino CFD No. 2006-1, IA No. 4 (UQ16 ST01).

Let us know if you have any questions or need anything else to process the corrections.

Regards,

Nehal Thumar

Vice President

David Taussig & Associates

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