



Solana Beach School District

Community Facilities District 2004-1

Fiscal Year 2018/19
Annual District Administration Report

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510 | 888.326.6864

Property Tax Information Line
T. 866.807.6864

www.willdan.com/Financial



INTRODUCTION

The information provided in this report is derived primarily from documents developed at the time the District was formed and from data provided by the School District or accessed through the School District. The information sources include the Rate and Method of apportionment, annual budget, debt service schedule(s) and special tax/assessment delinquency data. The development status, prepayments and historical information were accessed through the School District and/or the developer and are maintained by Willdan Financial Services.

The Mello-Roos Community Facilities Act (“Act”) of 1982 came about as a response to the lack of adequate financing for public capital facilities and services in the post-Proposition 13 era. State Legislators Mello and Roos sponsored this Bill, which was enacted into law by the California Legislature and is now Sections 53311 through 53363 of the California Government Code. The Act authorizes a local governmental agency, such as a school district or city, to form a Community Facilities District (“CFD”) or (“District”) within a defined set of boundaries for the purposes of providing public facilities and services. A CFD is formed for financing purposes only, and is governed by the agency that formed it.

A. FORMATION

On July 14, 2005, the School District formed the District by the adoption of Resolution No. 070504. The qualified electors within the District authorized a bonded indebtedness in an aggregate amount not to exceed \$30,000,000 and approved the levy of the special tax in accordance with the rate and method of special tax.

B. BOUNDARIES AND DEVELOPMENT SUMMARY

The District is located northeast of the intersection of Del Mar Heights and Carmel Valley Road in the County of San Diego, California in a master-planned community known as Pacific Highlands Ranch. The District consists of developed, or intended to be developed, residential homes.

C. BONDS

Pursuant to an Official Statement dated November 15, 2012, the Solana Beach School District Public Financing Authority (the “Authority”) issued \$34,450,000 Public Financing Authority 2012 Special Tax Revenue Bonds (the “Bonds”).

The Bond proceeds are being issued to finance the acquisition of the \$4,450,000 Community Facilities District No. 99-1 of the Solana Beach School District 2012 Special Tax Bonds and \$30,000,000 Community Facilities District No. 2004-1 of the Solana Beach School District 2012 Special Tax Bonds. The proceeds of each series of Special Tax Bonds will be used to (i) finance the acquisition of certain school facilities serving the property within the Community Facilities District, (ii)

fund a portion of the reserve fund for the Bonds, and (iii) fund a portion of the costs of issuing the Bonds and the Special Tax Bonds.

D. FINANCED FACILITIES

The types of public facilities financed by the District include K-6 sites, school facilities, including classrooms, on-site office space at the school, central support and administrative facilities, interim housing, furniture, equipment, technology, busses and transportation facilities needed by the School District in order to serve the student population to be generated as a result of the development within the District.

I. LEVY SUMMARY OVERVIEW

A. FISCAL YEAR 2018/19 LEVY AMOUNTS

The following table summarizes the amounts levied (including handbilled/direct billed charges) for Fiscal Year 2018/19 for the District.

Parcel Count	Charge Amount
737	\$2,400,671.06

B. FISCAL YEAR 2018/19 HANDBILL AMOUNTS

The following table summarizes the amounts billed directly to the property owner rather than placed on the Secured Property Tax Roll, due to the tax exempt status in Fiscal Year 2018/19 for the District.

Parcel Count	Charge Amount
0	\$0.00

II. FINANCIAL OBLIGATIONS

A. FISCAL YEAR 2018/19 LEVY COMPONENTS

The following table summarizes the financial obligations of the District.

Uses of Funds	Amount
Principal	\$630,000.00
Interest	1,272,606.26
Administrative Costs	9,238.65
Available to District for Facilities	488,826.15
Total Charge Amount Levied	\$2,400,671.06

FOR DETAILED INFORMATION REGARDING BOND(S) ISSUED FOR THIS DISTRICT, PLEASE REFER TO EXHIBIT D (DEBT SERVICE SCHEDULE) OF THIS REPORT.

B. PREPAYMENTS

For Fiscal Year 2018/19, there were no parcels that prepaid their special tax/assessment obligations.

APN	Prepayment Total ⁽¹⁾
N/A	\$0.00
Prepayment Total	\$0.00

⁽¹⁾ Total prepayment amount including but not limited to, reserve credit, redemption amount and premium, investment earnings and administrative fees.

C. HISTORICAL BOND CALL SUMMARY

The following table summarizes historical bond calls performed to date.

Date of Call	Amount	Source of Funds
N/A	\$0.00	N/A
Total Bond Call to Date	\$0.00	

III. DELINQUENCY AND FORECLOSURE STATUS

A. DELINQUENCY SUMMARY

The following table summarizes delinquencies for the most recent fiscal year and the cumulative for all years with delinquencies as of September 10, 2018.

Summary for Most Recent Fiscal Year		Cumulative Summary for All Years with Delinquencies	
\$7,431.01	0.31%	\$7,431.01	0.31%

FOR A MORE COMPREHENSIVE SUMMARY, PLEASE SEE EXHIBIT C OF THIS REPORT.

B. FORECLOSURE COVENANT

Under Section 53356.1 of the Act, if any delinquency occurs in the payment of the Special Taxes, each Community Facilities District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, each Community Facilities District will agree in its respective Fiscal Agent Agreement that, on or about February 15 and June 15 of each Fiscal Year, an Authorized Officer will compare the amount of Special Taxes to be collected on the December 10 and April 10 installments of the secured property tax bills to the

amount of Special Taxes actually received by the Community Facilities District in those installments, and proceed as set forth below:

Individual Delinquencies: If the Authorized Officer determines that (i) any single parcel subject to the Special Tax in the Community Facilities District is delinquent in the payment of Special Taxes in the aggregate amount of \$5,000 or more, or (ii) any owner of one or more parcels subject to the Special Tax in the Community Facilities District is delinquent in the aggregate of \$10,000 or more, then the Authorized Officer will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the Community Facilities District within 90 days of such determination.

Aggregate Delinquencies: If the Authorized Officer determines that the total amount of delinquent Special Taxes for the prior Fiscal Year (after both the first and second installments) for the entire Community Facilities District (including the total of individual delinquencies determined as set forth above), exceeds 5% of the total Special Taxes due and payable for the prior Fiscal Year, the Community Facilities District will notify or cause to be notified all property owners who are then delinquent in the payment of Special Taxes and demand immediate payment of the delinquency within 45 days of such determination, and will commence foreclosure proceedings within 90 days of such determination against each parcel of land in the Community Facilities District with a Special Tax delinquency.

C. DELINQUENCY MANAGEMENT ACTIONS

There is no single parcel delinquent in the aggregate amount of \$5,000 or more, no property owner delinquent of \$10,000 or more and the amount collected is not deficient of more than five percent of the total amount of the Special Tax levied.

However, Willdan Financial Services has taken the initial steps toward foreclosure proceedings or reducing delinquencies by performing the following Delinquency Monitoring Actions since July 1, 2017.

Action(s)	Date Performed	Number of Parcels
Reminder Letter	February 12, 2018	8
Reminder Letter	June 13, 2018	8
Demand Letter	June 13, 2018	12

IV. SPECIAL TAX LEVY AND METHOD OF APPORTIONMENT

The methodology employed to calculate and apportion the special tax is in accordance with the document entitled Rate and Method of Apportionment (“RMA”). The RMA is hereby referenced and summarized but not included in this report, however the official document can be requested and provided by the School District’s special tax administrator Willdan Financial Services.

A. RATE AND METHOD OF APPORTIONMENT

Pursuant to Section F of the Rate of Method of Apportionment, commencing with Fiscal Year 2006/07 and for each following fiscal year, the Council shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. *(FOR DETAILED INFORMATION OF THE SPECIAL TAX REQUIREMENT, PLEASE REFER TO SECTION (II) FINANCIAL OBLIGATIONS ABOVE).*

The Special Tax shall be levied on each Assessor’s Parcel of Developed Property up to 100% of the applicable Assigned Special Tax. If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property.

Developed Property means all Assessor’s Parcels in CFD No. 2004-1 for which building permits were issued on or before January 1 of the prior Fiscal Year for the construction of a residential structure.

B. SPECIAL TAX SPREAD

Fiscal Year 2016/17 Special Tax Rates for Developed Residential Properties are at 100% of the Maximum Tax Rates. The tax rates increase by the Marshall and Swift Class D Wood Frame Index each year for newly permitted residential lots. Applicable tax rates for Fiscal Year 2016/17 are listed in the table below. The Building Permit cut-off date for determining the applicable tax rate each year is January 1st.

Land Use Classification	Special Tax Rate	Units Levied	2018/19 Dollars Levied
1 – MFR (1,599 sq. ft. & less) FY 2005 / 06	\$816.68	0	\$0.00
2 – SFR (2,500 sq. ft. & less) FY 2005 / 06	\$2,202.24	7	15,415.68

Land Use Classification	Special Tax Rate	Units Levied	2018/19 Dollars Levied
3 – SFR (2,501 – 2,900 sq. ft.) FY 2005 / 06	\$2,914.50	1	2,914.50
4 – SFR (> 2,900 sq. ft.) FY 2005 / 06	\$3,532.16	9	31,789.44
1 – MFR (1,599 sq. ft. & less) FY 2006 / 07	\$845.02	0	0.00
2 – SFR (2,500 sq. ft. & less) FY 2006 / 07	\$2,278.68	141	321,293.88
3 – SFR (2,501 – 2,900 sq. ft.) FY 2006 / 07	\$3,015.66	18	54,281.88
4 – SFR (> 2,900 sq. ft.) FY 2006 / 07	\$3,654.74	51	186,391.74
1 – MFR (1,599 sq. ft. & less) FY 2007 / 08	\$918.70	0	0.00
2 – SFR (2,500 sq. ft. & less) FY 2007 / 08	\$2,477.36	13	32,205.68
3 – SFR (2,501 – 2,900 sq. ft.) FY 2007 / 08	\$3,278.60	0	0.00
4 – SFR (> 2,900 sq. ft.) FY 2007 / 08	\$3,973.40	41	162,909.40
1 – MFR (1,599 sq. ft. & less) FY 2008 / 09	\$941.21	0	0.00
2 – SFR (2,500 sq. ft. & less) FY 2008 / 09	\$2,538.04	54	137,054.16
3 – SFR (2,501 – 2,900 sq. ft.) FY 2008 / 09	\$3,358.92	2	6,717.84
4 – SFR (> 2,900 sq. ft.) FY 2008 / 09	\$4,070.74	22	89,556.28
1 – MFR (1,599 sq. ft. & less) FY 2009 / 10	\$964.64	0	0.00
2 – SFR (2,500 sq. ft. & less) FY 2009 / 10	\$2,601.24	35	91,043.40
3 – SFR (2,501 – 2,900 sq. ft.) FY 2009 / 10	\$3,442.54	4	13,770.16
4 – SFR (> 2,900 sq. ft.) FY 2009 / 10	\$4,172.08	2	8,344.16
1 – MFR (1,599 sq. ft. & less) FY 2010 / 11	\$964.64	0	0.00
2 – SFR (2,500 sq. ft. & less) FY 2010 / 11	\$2,601.24	17	44,221.08
3 – SFR (2,501 – 2,900 sq. ft.) FY 2010 / 11	\$3,442.54	27	92,948.58
4 – SFR (> 2,900 sq. ft.) FY 2010 / 11	\$4,172.08	14	58,409.12
1 – MFR (1,599 sq. ft. & less) FY 2011 / 12	\$1,016.86	0	0.00

Land Use Classification	Special Tax Rate	Units Levied	2018/19 Dollars Levied
2 – SFR (2,500 sq. ft. & less) FY 2011 / 12	\$2,742.04	23	63,066.92
3 – SFR (2,501 – 2,900 sq. ft.) FY 2011 / 12	\$3,628.88	45	163,299.60
4 – SFR (> 2,900 sq. ft.) FY 2011 / 12	\$4,397.92	16	70,366.72
1 – MFR (1,599 sq. ft. & less) FY 2012 / 13	\$1,035.96	0	0.00
2 – SFR (2,500 sq. ft. & less) FY 2012 / 13	\$2,793.56	16	44,696.96
3 – SFR (2,501 – 2,900 sq. ft.) FY 2012 / 13	\$3,697.08	32	118,306.56
4 – SFR (> 2,900 sq. ft.) FY 2012 / 13	\$4,480.56	13	58,247.28
1 – MFR (1,599 sq. ft. & less) FY 2013 / 14	\$1,072.02	0	0.00
2 – SFR (2,500 sq. ft. & less) FY 2013 / 14	\$2,890.82	15	43,362.30
3 – SFR (2,501 – 2,900 sq. ft.) FY 2013 / 14	\$3,825.80	57	218,070.60
4 – SFR (> 2,900 sq. ft.) FY 2013 / 14	\$4,636.54	45	208,644.30
1 – MFR (1,599 sq. ft. & less) FY 2014 / 15	\$1,124.92	0	0.00
2 – SFR (2,500 sq. ft. & less) FY 2014 / 15	\$3,033.48	5	\$15,167.40
3 – SFR (2,501 – 2,900 sq. ft.) FY 2014 / 15	\$4,014.62	12	\$48,175.44
4 – SFR (> 2,900 sq. ft.) FY 2014 / 15	\$4,865.30	0	\$0.00
1 – MFR (1,599 sq. ft. & less) FY 2015 / 16	\$1,149.80	0	\$0.00
2 – SFR (2,500 sq. ft. & less) FY 2015 / 16	\$3,100.56	0	\$0.00
3 – SFR (2,501 – 2,900 sq. ft.) FY 2015 / 16	\$4,103.40	0	\$0.00
4 – SFR (> 2,900 sq. ft.) FY 2015 / 16	\$4,972.96	0	\$0.00
1 – MFR (1,599 sq. ft. & less) FY 2016 / 17	\$1,159.74	0	\$0.00
2 – SFR (2,500 sq. ft. & less) FY 2016 / 17	\$3,127.40	0	\$0.00
3 – SFR (2,501 – 2,900 sq. ft.) FY 2016 / 17	\$4,138.94	0	\$0.00
4 – SFR (> 2,900 sq. ft.) FY 2016 / 17	\$5,016.02	0	\$0.00

Land Use Classification	Special Tax Rate	Units Levied	2018/19 Dollars Levied
1 – MFR (1,599 sq. ft. & less) FY 2017 / 18	\$1,159.74	0	\$0.00
2 – SFR (2,500 sq. ft. & less) FY 2017 / 18	\$3,127.40	0	\$0.00
3 – SFR (2,501 – 2,900 sq. ft.) FY 2017 / 18	\$4,138.94	0	\$0.00
4 – SFR (> 2,900 sq. ft.) FY 2017 / 18	\$5,016.02	0	\$0.00
1 – MFR (1,599 sq. ft. & less) FY 2018 / 19	\$1,202.26	0	\$0.00
2 – SFR (2,500 sq. ft. & less) FY 2018 / 19	\$3,242.06	0	\$0.00
3 – SFR (2,501 – 2,900 sq. ft.) FY 2018 / 19	\$4,290.70	0	\$0.00
4 – SFR (> 2,900 sq. ft.) FY 2018 / 19	\$5,199.92	0	\$0.00
Total		737	\$2,400,671.06

**PROPOSED BOUNDARIES OF
THE SOLANA BEACH SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2004-1
SAN DIEGO COUNTY
STATE OF CALIFORNIA**

(1) Filed in the office of the Clerk of the Board
this ___ day of ___, 20__.

Clerk of the Board

(2) I hereby certify that the within map showing the
proposed boundaries of Community Facilities
District No. 2004-1, San Diego County,
State of California, was approved by the Governing
Board at a regular meeting thereof, held on
this ___ day of ___, 20__, by
its Resolution No. _____.

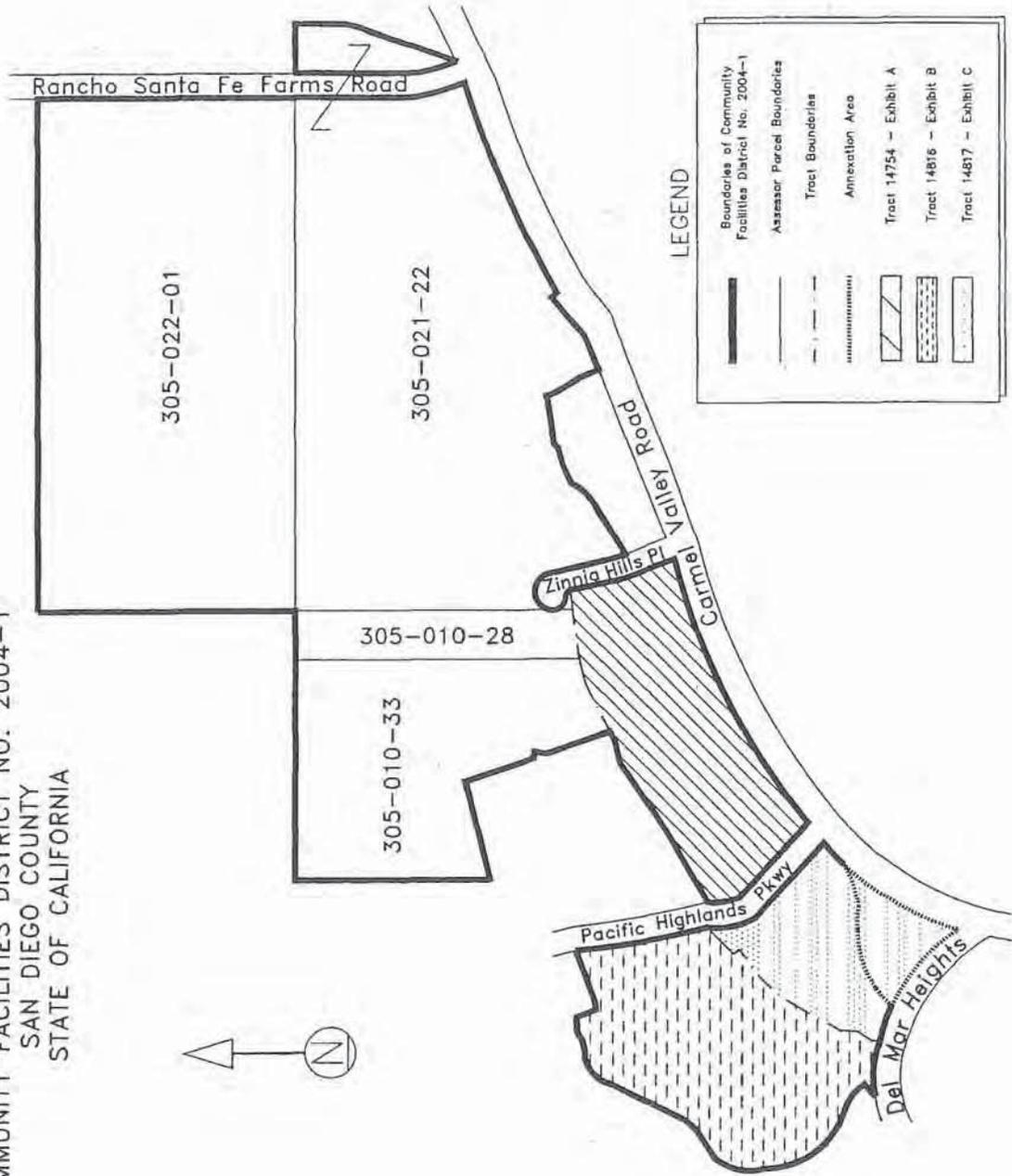
Clerk of the Board

(3) Filed this ___ day of ___, 20__ at
the hour of ___ o'clock ___ m, in Book
of Maps of Assessment and Community Facilities Districts
at page ___ and as Instrument No. ___ in
the office of the County Recorder of Riverside
County, State of California.

County Recorder of San Diego County

Reference is hereby made to the
Assessor maps of the County of
San Diego for an exact
description of the lines and
dimensions of each lot and
parcel.

PREPARED BY
DAVID TAUSSIG & ASSOCIATES, INC.



LEGEND

	Boundaries of Community Facilities District No. 2004-1
	Assessor Parcel Boundaries
	Tract Boundaries
	Annexation Area
	Tract 14754 - Exhibit A
	Tract 14816 - Exhibit B
	Tract 14817 - Exhibit C

**Solana Beach School District
Community Facilities District 2004-1
ORIGINAL DEBT SERVICE SCHEDULE**

Dated Date: 12/6/2012
First Coupon: 3/1/2013
First Maturity: 9/1/2013

Payment Due	Interest Rate	Bond Call	Called Amount	Principal Due	Interest Due	Semi-Annual Payment	Total Annual
3/1/2013					\$324,028.56	\$324,028.56	
9/1/2013	2.00000%			660,000.00	686,178.13	1,346,178.13	1,670,206.69
3/1/2014					679,578.13	679,578.13	
9/1/2014	2.00000%			545,000.00	679,578.13	1,224,578.13	1,904,156.26
3/1/2015					674,128.13	674,128.13	
9/1/2015	3.00000%			555,000.00	674,128.13	1,229,128.13	1,903,256.26
3/1/2016					665,803.13	665,803.13	
9/1/2016	3.00000%			570,000.00	665,803.13	1,235,803.13	1,901,606.26
3/1/2017					657,253.13	657,253.13	
9/1/2017	3.00000%			590,000.00	657,253.13	1,247,253.13	1,904,506.26
3/1/2018					648,403.13	648,403.13	
9/1/2018	4.00000%			605,000.00	648,403.13	1,253,403.13	1,901,806.26
3/1/2019					636,303.13	636,303.13	
9/1/2019	4.00000%			630,000.00	636,303.13	1,266,303.13	1,902,606.26
3/1/2020					623,703.13	623,703.13	
9/1/2020	4.00000%			655,000.00	623,703.13	1,278,703.13	1,902,406.26
3/1/2021					610,603.13	610,603.13	
9/1/2021	4.00000%			680,000.00	610,603.13	1,290,603.13	1,901,206.26
3/1/2022					597,003.13	597,003.13	
9/1/2022	4.00000%			710,000.00	597,003.13	1,307,003.13	1,904,006.26
3/1/2023					582,803.13	582,803.13	
9/1/2023	5.00000%			735,000.00	582,803.13	1,317,803.13	1,900,606.26
3/1/2024					564,428.13	564,428.13	
9/1/2024	5.00000%			775,000.00	564,428.13	1,339,428.13	1,903,856.26
3/1/2025					545,053.13	545,053.13	
9/1/2025	3.50000%			815,000.00	545,053.13	1,360,053.13	1,905,106.26
3/1/2026					530,790.63	530,790.63	
9/1/2026	5.00000%			840,000.00	530,790.63	1,370,790.63	1,901,581.26
3/1/2027					509,790.63	509,790.63	
9/1/2027	3.62500%			885,000.00	509,790.63	1,394,790.63	1,904,581.26
3/1/2028					493,750.00	493,750.00	
9/1/2028	5.00000%			915,000.00	493,750.00	1,408,750.00	1,902,500.00
3/1/2029					470,875.00	470,875.00	
9/1/2029	5.00000%			960,000.00	470,875.00	1,430,875.00	1,901,750.00
3/1/2030					446,875.00	446,875.00	
9/1/2030	5.00000%			1,010,000.00	446,875.00	1,456,875.00	1,903,750.00
3/1/2031					421,625.00	421,625.00	
9/1/2031	5.00000%			1,060,000.00	421,625.00	1,481,625.00	1,903,250.00
3/1/2032					395,125.00	395,125.00	
9/1/2032	5.00000%			1,115,000.00	395,125.00	1,510,125.00	1,905,250.00
3/1/2033					367,250.00	367,250.00	
9/1/2033	5.00000%			1,170,000.00	367,250.00	1,537,250.00	1,904,500.00
3/1/2034					338,000.00	338,000.00	
9/1/2034	5.00000%			1,225,000.00	338,000.00	1,563,000.00	1,901,000.00
3/1/2035					307,375.00	307,375.00	
9/1/2035	5.00000%			1,290,000.00	307,375.00	1,597,375.00	1,904,750.00
3/1/2036					275,125.00	275,125.00	
9/1/2036	5.00000%			1,350,000.00	275,125.00	1,625,125.00	1,900,250.00
3/1/2037					241,375.00	241,375.00	
9/1/2037	5.00000%			1,420,000.00	241,375.00	1,661,375.00	1,902,750.00
3/1/2038					205,875.00	205,875.00	
9/1/2038	5.00000%			1,490,000.00	205,875.00	1,695,875.00	1,901,750.00
3/1/2039					168,625.00	168,625.00	
9/1/2039	5.00000%			1,565,000.00	168,625.00	1,733,625.00	1,902,250.00
3/1/2040					129,500.00	129,500.00	

**Solana Beach School District
Community Facilities District 2004-1
ORIGINAL DEBT SERVICE SCHEDULE**

Dated Date: 12/6/2012
First Coupon: 3/1/2013
First Maturity: 9/1/2013

Payment Due	Interest Rate	Bond Call	Called Amount	Principal Due	Interest Due	Semi-Annual Payment	Total Annual
9/1/2040	5.00000%			1,645,000.00	129,500.00	1,774,500.00	1,904,000.00
3/1/2041					88,375.00	88,375.00	
9/1/2041	5.00000%			1,725,000.00	88,375.00	1,813,375.00	1,901,750.00
3/1/2042					45,250.00	45,250.00	
9/1/2042	5.00000%			1,810,000.00	45,250.00	1,855,250.00	1,900,500.00
Totals:		\$0.00	\$0.00	\$30,000,000.00	\$26,851,494.33	\$56,851,494.33	\$56,851,494.33

Outstanding Principal	\$26,475,000.00
Matured Principal	3,525,000.00
Called Principal	0.00
Total Bond Issue	\$30,000,000.00