

Combined Community Facilities District Annual Report for Special Taxes Levied Fiscal Year 2016/17



THE CITY OF
BRENTWOOD

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City Council as of June 30, 2017

Robert Taylor Mayor
Steve Barr Vice Mayor
Joel Bryant Council Member
Karen Rarey Council Member
Claudette Staton Council Member

Executive Team as of June 30, 2017

Gustavo "Gus" Vina City Manager
Damien Brower City Attorney
Sukari Beshears Director of Human Resources/Risk Manager
Kerry Breen City Treasurer/Director of Finance and Information Systems
Mark Evenson Chief of Police
Casey McCann Director of Community Development
Bruce Mulder Director of Parks and Recreation
Miki Tsubota Director of Public Works/City Engineer



City Council and Executive Teami

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Since 2002, the City Council of the City of Brentwood has formed four Community Facilities Districts (CFDs) under the Mello-Roos Community Facilities Act of 1982. The CFDs were formed to provide an annual revenue stream from all new development within the City to: 1) fund the purchase, construction and/or expansion of various authorized public facilities and 2) fund the operation and maintenance of authorized improvements and services within the City. These authorized public facilities and services are summarized below and described in detail within each of the CFD sections beginning on page 6.

FACILITIES	CFD No. 2	CFD No. 3	CFD No. 4	CFD No. 5
Flood and Storm Drainage		X	X	X
Governmental and Community				X
Joint Use School/Park		X	X	X
Library			X	X
Open Space	X	X		
Police		X		
Public Protection and Safety				X
Roadway Construction and Rehabilitation			X	X
Utility Undergrounding			X	X

SERVICES	CFD No. 2	CFD No. 3	CFD No. 4	CFD No. 5
Flood and Storm Drainage	X	X	X	X
Joint Use School/Park		X	X	X
Open Space	X	X	X	
Public Protection and Safety	X	X	X	X

The Mello-Roos Community Facilities Act of 1982 does not require that an annual report be prepared unless requested by a person who resides in or owns property within the district; however, City staff believes it is prudent to be proactive in preparing the report in the event it is ever requested. The Mello-Roos Community Facilities Act of 1982, specifically Section 53343.1 of the California Government Code, provides guidelines for the content of an annual report and states an annual report shall include the following:

- (a) The amount of special taxes collected for the year.
- (b) The amount of other monies collected for the year and their source, including interest earned.
- (c) The amount of monies expended for the year.
- (d) A summary of the amount of monies expended for the following:
 - 1) Facilities, including property.
 - 2) Services.
 - 3) The costs of bonded indebtedness.
 - 4) The costs of collecting the special tax under Section 53340.
 - 5) Other administrative and overhead costs.
- (e) For monies expended for facilities, including property, an identification of the categories of each type of facility funded with amounts expended in each category, including the total percentage of the cost of each type of facility that was funded with bond proceeds or special taxes.
- (f) For monies expended for services, an identification of the categories of each type of service funded with amounts expended in each category, including the total percentage of the cost of each type of service that was funded with bond proceeds or special taxes.



- (g) For monies expended for other administrative costs, an identification of each of these costs.
- (h) The annual report shall contain references to the relevant sections of the resolution of formation of the district so that interested persons may confirm that bond proceeds and special taxes are being used for authorized purposes. The annual report shall be made available to the public upon request.

A summary of the revenues and expenditures for each of the four CFDs is presented below with detailed information presented in each of the CFD sections beginning on page 6. Maps showing the combined CFD boundaries as well as individual CFD boundary maps can be found beginning on page 34.

Revenues and Expenditures Summary					
	CFD No. 2	CFD No. 3	CFD No. 4	CFD No. 5	Total
Fund Balance July 1, 2016	\$ 5,804	\$ 980,990	\$ 36,228	\$ 294,237	\$ 1,317,259
Revenues					
Annual CFD Special Tax	\$ 596,105	\$ 1,498,883	\$ 2,160,261	\$ 644,000	\$ 4,899,249
Total Revenues	\$ 596,105	\$ 1,498,883	\$ 2,160,261	\$ 644,000	\$ 4,899,249
Expenditures					
Facilities	\$ -	\$ -	\$ -	\$ -	\$ -
Services					
Reimburse City for Public Safety Services	590,000	1,119,571	2,000,000	300,000	4,009,571
Costs of Bonded Indebtedness					
Debt Service Obligations	-	586,527	140,719	43,069	770,315
Costs of Collecting the Special Tax					
Contra Costa County Property Tax Administration	2,033	1,657	2,308	729	6,727
Administration					
CFD Special Tax Administration	4,130	13,996	14,121	5,004	37,251
Investment Administration	-	1,362	-	1,950	3,312
Administration Subtotal	4,130	15,358	14,121	6,954	40,563
Total Expenditures	\$ 596,163	\$ 1,723,113	\$ 2,157,148	\$ 350,752	\$ 4,827,176
Fund Balance June 30, 2017	\$ 5,746	\$ 756,760	\$ 39,341	\$ 587,485	\$ 1,389,332



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On May 14, 2002 the City Council of the City of Brentwood, through Resolution No. 2544, established Community Facilities District No. 2 (CFD No. 2). A notice of special tax lien has been recorded at the County Recorder's office identifying a continuing lien in force and effect until the special tax obligation is either permanently satisfied on June 30, 2053 or is cancelled by the City Council at an earlier date. In compliance with the proceedings governing the formation of CFD No. 2, the special tax has been levied on each taxable parcel within the District according to the provisions of the Rate and Method of Apportionment of Special Taxes. The Rate and Method of Apportionment of Special Taxes is available from the City Clerk.

As of June 30, 2017, CFD No. 2 consisted of 1,931 taxable single-family residential parcels, 120 taxable residential condominium parcels and 93.44 acres of taxable non-residential property. Parcels became taxable if a building permit was issued prior to January 1, 2016.

A. BOUNDARY MAP

A map showing the boundary diagram of CFD No. 2 can be found on page 35.

B. FACILITIES AND SERVICES FINANCED BY THE DISTRICT

The public facilities and services which may be financed by CFD No. 2 are described below.

i. Facilities

- a. Open Space Facilities (City Council Resolution 2544, Exhibit A, *Facilities*, Section I.)
 - Acquisition of open space lands, easements and rights-of-way and necessary incidental costs to acquire the land including title reports, appraisals, etc.
 - Construction of trails, drainage structures, fire breaks, etc. to allow for safe pedestrian access within and throughout the open space areas.

ii. Services

- a. Public Safety Services (City Council Resolution 2544, Exhibit B, *Services*, Section I.)
 - Emergency medical and public safety personnel salaries, benefits and other associated costs which may include uniforms, safety equipment, etc. which is needed for the daily activities and normal employment of these types of personnel.
- b. Open Space Services (City Council Resolution 2544, Exhibit B, *Services*, Section II.)
 - Maintenance and operation of open space and natural wildlands owned or otherwise controlled by the City of Brentwood. Maintenance and operation may include, but is not limited to: maintenance worker and patrol guard salaries, benefits and other associated costs which may include uniforms, safety equipment, etc. which is needed for the daily activities and normal employment of these types of personnel.

- c. Flood and Storm Drainage Services (City Council Resolution 2544, Exhibit B, *Services*, Section III.)
- Maintenance and operation of flood and storm drainage improvements owned or otherwise controlled by the City of Brentwood. Maintenance and operation may include, but is not limited to: maintenance worker salaries, benefits and other associated costs which may include uniforms, maintenance equipment, etc. which is needed for the daily activities and normal employment of these types of personnel.

C. REVENUES AND EXPENDITURES

CFD No. 2 – Table 1 shows the Fiscal Year (FY) 2016/17 revenues and expenditures of special tax funds for CFD No. 2. Per Section 53343.1 of the California Government Code, monies expended for facilities and/or services shall include an identification of the categories of each type of facility/service funded, and the total percentage of the cost of each type of facility/service funded with either bond proceeds or special taxes. For monies expended for other administrative costs, each of the costs is identified.

CFD No. 2 – TABLE 1		
Revenues and Expenditures		
Fund Balance July 1, 2016	\$	5,804
Revenues		
Annual CFD Special Tax	\$	596,105
Total Revenues	\$	596,105
Expenditures		Comments
Facilities	\$	-
Services		
Reimburse City for Public Safety Services	590,000	100% from Special Taxes
Costs of Collecting the Special Tax		
Contra Costa County Property Tax Administration	2,033	100% from Special Taxes
Administration		
CFD Special Tax Administration	4,130	
Investment Administration	-	
Administration Subtotal	4,130	
Total Expenditures	\$	596,163
Fund Balance June 30, 2017	\$	5,746

i. Revenues

- a. Special Tax Levy
- The maximum special tax rate has been levied each year since FY 2002/03 per the Rate and Method Apportionment of Special Taxes. CFD No. 2 – Table 2, on the following page, outlines the FY 2016/17 tax rate calculations and the revenue by parcel classification.

CFD No. 2 – TABLE 2 Special Tax Revenue Summary for FY 2016/17					
Parcel Classification	Maximum Rate ⁽¹⁾	Levied Rate	Number of Taxable Residences/Units	Number of Taxable Acres	Total Revenue
Single-Family	\$231/residence	\$231/residence	1,931	-	\$ 445,868
Condominium	\$173/residence	\$173/residence	120	-	20,782
Multi-Family	\$115/unit	\$115/unit	-	-	-
Commercial	\$1,385/acre	\$1,385/acre	-	62.49	86,571
Industrial	\$1,385/acre	\$1,385/acre	-	26.47	36,673
Rural	\$231/residence	\$231/residence	-	-	-
Institutional	\$1,385/acre	\$1,385/acre	-	4.48	6,211
Total			2,051	93.44	\$ 596,105

(1) Maximum rates are increased annually by 2%.

ii. Expenditures

- Aside from the minor expenses associated with the costs of collecting the special tax and the administration of the CFD, the funds in CFD No. 2 were expended on Public Safety Services incrementally required by development of properties within the CFD.

D. SPECIAL TAX ROLL

A list of each parcel within the boundaries of CFD No. 2, upon which the special tax has been levied for FY 2016/17, may be requested through the City Clerk.

E. DELINQUENCY RATES

Each year the special taxes are levied and due concurrently with general ad-valorem property taxes (December and April respectively). If the special taxes are not paid by these deadlines, they are considered delinquent. CFD No. 2 – Table 3 shows the last ten years delinquency rates by fiscal year for CFD No. 2.

CFD No. 2 – TABLE 3 Delinquency History				
Fiscal Year	Amount Levied	Delinquent Amount	Delinquency As of June 30	
07/08	\$ 500,540	\$ 676	0.14%	
08/09	\$ 520,174	\$ 5,973	1.15%	
09/10	\$ 529,671	\$ 9,695	1.83%	
10/11	\$ 540,264	\$ 29,063	5.38%	
11/12	\$ 555,145	\$ 25,802	4.65%	
12/13	\$ 559,578	\$ 16,338	2.92%	
13/14	\$ 570,209	\$ 13,385	2.35%	
14/15	\$ 583,573	\$ 13,538	2.32%	
15/16	\$ 595,246	\$ 11,970	2.01%	
16/17	\$ 596,105	\$ 6,436	1.08%	



On June 24, 2003 the City Council of the City of Brentwood, through Resolution No. 2907, established Community Facilities District No. 3 (CFD No. 3). A notice of special tax lien has been recorded at the County Recorder's office identifying a continuing lien in force and effect until the special tax obligation is either permanently satisfied on June 30, 2104 or is cancelled by the City Council at an earlier date. In compliance with the proceedings governing the formation of CFD No. 3, the special tax has been levied on each taxable parcel within the District according to the provisions of the Rate and Method of Apportionment of Special Taxes. The Rate and Method of Apportionment of Special Taxes is available from the City Clerk.

As of June 30, 2017, CFD No. 3 consisted of 1,635 taxable single-family residential parcels, 120 taxable multi-family residential units, and 35.98 acres of taxable non-residential property. Parcels become taxable if a building permit was issued prior to January 1, 2016.

A. BOUNDARY MAP

A map showing the boundary diagram of CFD No. 3 can be found on page 36.

B. FACILITIES AND SERVICES FINANCED BY THE DISTRICT

The public facilities and services which may be financed by CFD No. 3 are described below.

i. Facilities

- a. Open Space Facilities (City Council Resolution 2907, Exhibit A, *Facilities*, Section I.)
 - Acquisition of open space lands, easements and rights-of-ways including all necessary incidental costs needed to acquire the lands including title reports, appraisals, etc.
 - Construction of trails, bridge structures, drainage structures, fire breaks, necessary appurtenances, etc. to allow for safe pedestrian access within and throughout the open space areas.
- b. Police Facilities (City Council Resolution 2907, Exhibit A, *Facilities*, Section II.)
 - Acquisition of lands, easements and rights-of-way needed for the construction and/or acquisition of police facilities, including all necessary incidental costs such as, but not limited to, title reports, appraisals, etc.
 - Construction and/or acquisition of police facilities, including equipment, furnishings and all incidental costs needed to conduct police services throughout the City.
- c. Flood and Storm Drainage Facilities (City Council Resolution 2907, Exhibit A, *Facilities*, Section III.)
 - Acquisition of lands, easements and rights-of-way needed for the construction and/or acquisition of flood and storm drainage facilities, including all necessary incidental costs such as, but not limited to, title reports, appraisals, etc.
 - Construction and/or acquisition of flood and storm drainage facilities, including design, construction, administrative and all other miscellaneous costs needed to comply with local and state regulations.
- d. Joint Use School Facilities (City Council Resolution 2907, Exhibit A, *Facilities*, Section IV.)

- Acquisition of lands, easements and rights-of-way needed for the construction and/or acquisition of school site joint use facilities, including all necessary incidental costs such as, but not limited to, title reports, appraisals, etc.
- Construction and/or acquisition of school site joint use facilities, including equipment, furnishings and all incidental costs needed to conduct joint use programs and services throughout the City.

ii. Services

- a. Police Protection and Public Safety Services (City Council Resolution 2907, Exhibit B, *Services*, Section I and II.)
 - Public safety personnel salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal employment of these types of personnel.
- b. Open Space Services (City Council Resolution 2907, Exhibit B, *Services*, Section III.)
 - Maintenance and operation of open space and natural wild lands owned or otherwise controlled by the City of Brentwood including State Park Lands adjacent to the City of Brentwood subject to Joint Use or a Memorandum of Understanding between the City and the State of California. Maintenance and operation may include, but is not limited to: maintenance worker, volunteer and patrol guard salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal employment of these types of personnel.
- c. Flood and Storm Drainage Services (City Council Resolution 2907, Exhibit B, *Services*, Section IV.)
 - Maintenance and operation of flood and storm drainage improvements owned or otherwise controlled by the City of Brentwood. Maintenance and operation may include but is not limited to: maintenance worker salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal employment of these types of personnel.
- d. Joint Use School Site Services (City Council Resolution 2907, Exhibit B, *Services*, Section V.)
 - Maintenance of joint use school/park facilities between the City and the School Districts within the City of Brentwood which includes, but is not limited to, elementary and secondary school park sites and structures servicing the residents of the City of Brentwood. Staff and maintenance worker salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal employment of these types of personnel are also included. Such services shall only be those necessary for the general public use of the joint use school/park facilities and shall not include any costs associated with school use or maintenance.

C. REVENUES AND EXPENDITURES

CFD No. 3 – Table 1 shows the FY 2016/17 revenues and expenditures of special tax funds for CFD No. 3. Per Section 53343.1 of the California Government Code, monies expended for facilities and/or services shall include an identification of the categories of each type of facility/service funded, and the total percentage of the cost of each type of facility/service funded with either bond proceeds or special taxes. For monies expended for other administrative costs, each of the costs is identified.

CFD No. 3 – TABLE 1		
Revenues and Expenditures		
Fund Balance July 1, 2016		\$ 980,990
Revenues		
Annual CFD Special Tax	\$ 1,498,883	
Total Revenues	\$ 1,498,883	
Expenditures		Comments
Facilities	\$ -	
Services		
Reimburse City for Public Safety Services	1,119,571	100% from Special Taxes
Costs of Bonded Indebtedness		
Debt Service Obligations	586,527	100% from Special Taxes
Costs of Collecting the Special Tax		
Contra Costa County Property Tax Administration	1,657	100% from Special Taxes
Administration		
CFD Special Tax Administration	13,996	
Investment Administration	1,362	
Administration Subtotal	15,358	
Total Expenditures	\$ 1,723,113	
Fund Balance June 30, 2017		\$ 756,760

i. Revenues

a. Special Tax Levy

- The maximum special tax rate has been levied each year since FY 2003/04 per the Rate and Method Apportionment of Special Taxes. CFD No. 3 – Table 2, on the following page, outlines the FY 2016/17 tax rate calculations and the revenue by parcel classification.

CFD No. 3 – TABLE 2					
Special Tax Revenue Summary for FY 2016/17					
Parcel Classification	Maximum Rate	Levied Rate	Number of Taxable Residences/Units	Number of Taxable Acres	Total Revenue
Single-Family	\$776/residence ⁽¹⁾	\$776/residence	1,635	-	\$ 1,269,023
Condominium	\$582/residence ⁽¹⁾	\$582/residence	-	-	-
Multi-Family	\$388/unit ⁽¹⁾	\$388/unit	120	-	46,570
Commercial	\$5,094/acre ⁽²⁾	\$5,094/acre	-	34.67	176,617
Industrial	\$5,094/acre ⁽²⁾	\$5,094/acre	-	1.31	6,673
Rural	\$776/residence ⁽¹⁾	\$776/residence	-	-	-
Institutional	\$5,094/acre ⁽²⁾	\$5,094/acre	-	-	-
Total			1,755	35.98	\$ 1,498,883

(1) Residential maximum rates are increased annually by 2%.

(2) Non-Residential maximum rates are increased annually by the Consumer Price Index (CPI) for San Francisco Bay Area Urban Wage Earners with a minimum of 2%.

ii. Expenditures

- Aside from the minor expenses associated with the costs of collecting the special tax and the administration of the CFD, the funds in CFD No. 3 were expended on Public Safety Services incrementally required by development of properties within the CFD and debt service obligations. Additional information regarding the debt service obligations of CFD No. 3 can be found in the Bonded Indebtedness section beginning on page 28.

D. SPECIAL TAX ROLL

A list of each parcel within the boundaries of CFD No. 3, upon which the special tax has been levied for FY 2016/17, may be requested through the City Clerk.

E. DELINQUENCY RATES

Each year the special taxes are levied and due concurrently with general ad-valorem property taxes (December and April respectively). If the special taxes are not paid by these deadlines, they are considered delinquent. CFD No. 3 – Table 3, on the following page, shows the last ten years delinquency rates by fiscal year for CFD No. 3.

CFD No. 3 – TABLE 3 Delinquency History			
Fiscal Year	Amount Levied	Delinquent Amount	Delinquency As of June 30
07/08	\$ 1,107,376	\$ 5,520	0.50%
08/09	\$ 1,165,922	\$ 17,063	1.46%
09/10	\$ 1,189,257	\$ 33,457	2.81%
10/11	\$ 1,250,238	\$ 50,656	4.05%
11/12	\$ 1,294,244	\$ 31,284	2.42%
12/13	\$ 1,341,381	\$ 30,787	2.30%
13/14	\$ 1,369,937	\$ 14,262	1.04%
14/15	\$ 1,423,464	\$ 16,785	1.18%
15/16	\$ 1,467,151	\$ 17,502	1.19%
16/17	\$ 1,498,883	\$ 22,897	1.53%



On November 9, 2004 the City Council of the City of Brentwood, through Resolution No. 2004-263, established Community Facilities District No. 4 (CFD No. 4). A notice of special tax lien has been recorded at the County Recorder's office identifying a continuing lien in force and effect until the special tax obligation is either permanently satisfied on June 30, 2105 or is cancelled by the City Council at an earlier date. In compliance with the proceedings governing the formation of CFD No. 4, the special tax has been levied on each taxable parcel within the District according to the provisions of the Rate and Method of Apportionment of Special Taxes. The Rate and Method of Apportionment of Special Taxes is available from the City Clerk.

As of June 30, 2017, CFD No. 4 consisted of 2,252 taxable single-family residential parcels, 2 taxable residential condominium parcels, 274 taxable multi-family residential units, 84 taxable rural single-family residential parcels, and 47.34 acres of taxable non-residential property. Parcels become taxable if a building permit was issued prior to January 1, 2016.

A. BOUNDARY MAP

A map showing the boundary diagram of CFD No. 4 can be found on page 37.

B. FACILITIES AND SERVICES FINANCED BY THE DISTRICT

The public facilities and services which may be financed by CFD No. 4 are described below.

i. Facilities

- a. Flood and Storm Drainage Facilities (City Council Resolution 2004-263, Exhibit A, *Facilities*, Section I.)
 - Acquisition of lands, easements and rights-of-way needed for the construction and/or acquisition of flood and storm drainage facilities, including all necessary incidental costs such as, but not limited to, title reports, appraisals, etc.
 - Construction and/or acquisition of flood and storm drainage facilities, including design, construction, administration etc. and all other miscellaneous costs needed to comply with local and state regulations.
- b. Joint Use School Facilities (City Council Resolution 2004-263, Exhibit A, *Facilities*, Section II.)
 - Acquisition of lands, easements and rights-of-way needed for the construction and/or acquisition of school site joint use facilities, including all necessary incidental costs such as, but not limited to, title reports, appraisals, etc.
 - Construction and/or acquisition of school site joint use facilities, including equipment, furnishings and all incidental costs needed to conduct joint use programs and services throughout the City.
- c. Roadway Rehabilitation Facilities (City Council Resolution 2004-263, Exhibit A, *Facilities*, Section III.)
 - Acquisition of lands, easements and rights-of-way needed for the purposes of roadway rehabilitation, including all necessary incidental costs including title reports, appraisals, etc.
 - Rehabilitation of roadways, including but not limited to pavement, curb, gutter, sidewalk, pavement sealing, etc. to repair, improve and extend the life of the roadway.

- d. Library Facilities (City Council Resolution 2004-263, Exhibit A, *Facilities*, Section IV.)
- Acquisition of lands, easements and rights-of-way needed for the construction and/or acquisition of library facilities, including all necessary incidental costs such as, but not limited to, title reports, appraisals, etc.
 - Construction and/or acquisition of library facilities, including equipment, furnishings and all incidental costs needed. This may include the expansion or rehabilitation of existing libraries.
- e. Undergrounding of Utility Transmission and Distribution Facilities (City Council Resolution 2004-263, Exhibit A, *Facilities*, Section V.)
- Acquisition of lands, easements and rights-of-way needed for the undergrounding of utility transmission and distribution facilities, including all necessary incidental costs such as, but not limited to, title reports, appraisals, etc.
 - Undergrounding of utility transmission and distribution facilities, including construction, equipment, furnishings and all incidental costs related thereto.

ii. Services

- a. Police Protection and Public Safety Services (City Council Resolution 2004-263, Exhibit B, *Services*, Section I and II.)
- Public safety personnel salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal employment of these types of personnel.
- b. Open Space Services (City Council Resolution 2004-263, Exhibit B, *Services*, Section III.)
- Maintenance and operation of open space and natural wild lands owned or otherwise controlled by the City of Brentwood including State Park Lands adjacent to the City of Brentwood subject to Joint Use or a Memorandum of Understanding between the City and the State of California. Maintenance and operation may include, but is not limited to: maintenance workers, volunteers and patrol guard salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal employment of these types of personnel.
- c. Flood and Storm Drainage Services (City Council Resolution 2004-263, Exhibit B, *Services*, Section IV.)
- Maintenance and operation of flood and storm drainage improvements owned or otherwise controlled by the City of Brentwood. Maintenance and operation may include, but is not limited to: maintenance worker salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal employment of these types of personnel.
- d. Joint Use School Site Services (City Council Resolution 2004-263, Exhibit B, *Services*, Section V.)
- Maintenance of joint use school/park facilities between the City and the School Districts within the City of Brentwood which includes, but is not limited to, elementary and secondary school park sites and structures servicing the residents of the City of Brentwood. Staff and maintenance worker salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal

employment of these types of personnel are also included. Such services shall only be those necessary for the general public use of the joint use school/park facilities and shall not include any costs associated with school use or maintenance.

C. REVENUES AND EXPENDITURES

CFD No. 4 – Table 1 shows the FY 2016/17 revenues and expenditures of special tax funds for CFD No. 4. Per Section 53343.1 of the California Government Code, monies expended for facilities and/or services shall include an identification of the categories of each type of facility/service funded, and the total percentage of the cost of each type of facility/service funded with either bond proceeds or special taxes. For monies expended for other administrative costs, each of the costs is identified.

CFD No. 4 – TABLE 1		
Revenues and Expenditures		
Fund Balance July 1, 2016	\$	36,228
Revenues		
Annual CFD Special Tax	\$	2,160,261
Total Revenues	\$	2,160,261
Expenditures		Comments
Facilities	\$	-
Services		
Reimburse City for Public Safety Services	2,000,000	100% from Special Taxes
Costs of Bonded Indebtedness		
Debt Service Obligations	140,719	100% from Special Taxes
Costs of Collecting the Special Tax		
Contra Costa County Property Tax Administration	2,308	100% from Special Taxes
Administration		
CFD Special Tax Administration	14,121	
Investment Administration	-	
Administration Subtotal	14,121	
Total Expenditures	\$	2,157,148
Fund Balance June 30, 2017	\$	39,341

i. Revenues

a. Special Tax Levy

- CFD No. 4 has separate maximum special tax rates for facilities and services. The maximum special tax rate was levied each year, for both facilities and services, per the Rate and Method Apportionment of Special Taxes from FY 2005/06 to FY 2007/08. Since then, the actual levied rate was reduced to equal the levied rates within CFDs No. 3 and No. 5. CFD No. 4 – Table 2 outlines the FY 2016/17 tax rate calculations and the revenue by parcel classification.

CFD No. 4 – TABLE 2 Special Tax Revenue Summary for FY 2016/17							
Parcel Classification	Facilities Maximum Rate	Services Maximum Rate	Total Maximum Rate	Combined Levied Rate	No. of Taxable Residences/ Units	No. of Taxable Acres	Total Revenue ⁽⁴⁾
Facilities							
Single-Family	\$216/residence ⁽¹⁾	\$943/residence ⁽²⁾	\$1,159/residence	\$776/residence	2,252	-	\$ 1,746,391
Condominium	\$162/residence ⁽¹⁾	\$708/residence ⁽²⁾	\$869/residence	\$582/residence	2	-	1,164
Multi-Family	\$108/unit ⁽¹⁾	\$472/unit ⁽²⁾	\$579/unit	\$388/unit	274	-	106,334
Commercial	\$1,415/acre ⁽³⁾	\$5,660/acre ⁽³⁾	\$7,075/acre	\$5,094/acre	-	33.67	171,502
Industrial	\$1,415/acre ⁽³⁾	\$5,660/acre ⁽³⁾	\$7,075/acre	\$5,094/acre	-	8.21	41,808
Rural	\$216/residence ⁽¹⁾	\$943/residence ⁽²⁾	\$1,159/residence	\$776/residence	84	-	65,197
Institutional	\$1,415/acre ⁽³⁾	\$5,660/acre ⁽³⁾	\$7,075/acre	\$5,094/acre	-	5.47	27,865
Total					2,612	47.34	\$ 2,160,261

(1) Residential maximum rates for Facilities are increased annually by 2%.
(2) Residential maximum rates for Services are increased annually by the CPI for San Francisco Bay Area Urban Wage Earners with a minimum of 2% and maximum of 5%.
(3) Non-Residential maximum rates are increased annually by the CPI for San Francisco Bay Area Urban Wage Earners with a minimum of 2%.
(4) Levy amount may be subject to prior year adjustment by Contra Costa County.

ii. Expenditures

- Aside from the minor expenses associated with the costs of collecting the special tax and the administration of the CFD, the funds in CFD No. 4 were expended on Public Safety Services incrementally required by development of properties within the CFD and debt service obligations. Additional information regarding the debt service obligations of CFD No. 4 can be found in the Bonded Indebtedness section beginning on page 28.

D. SPECIAL TAX ROLL

A list of each parcel within the boundaries of CFD No. 4, upon which the special tax has been levied for FY 2016/17, may be requested through the City Clerk.

E. DELINQUENCY RATES

Each year the special taxes are levied and due concurrently with general ad-valorem property taxes (December and April respectively). If the special taxes are not paid by these deadlines, they are considered delinquent. CFD No. 4 – Table 3, on the following page, shows the last ten years delinquency rates by fiscal year for CFD No. 4.

CFD No. 4 – TABLE 3 Delinquency History			
Fiscal Year	Amount Levied	Delinquent Amount	Delinquency As of June 30
07/08	\$ 749,290	\$ 3,231	0.43%
08/09	\$ 980,404	\$ 3,645	0.37%
09/10	\$ 1,024,328	\$ 12,725	1.24%
10/11	\$ 1,053,606	\$ 39,536	3.75%
11/12	\$ 1,128,423	\$ 31,346	2.78%
12/13	\$ 1,185,368	\$ 24,992	2.11%
13/14	\$ 1,308,391	\$ 34,256	2.62%
14/15	\$ 1,624,537	\$ 19,033	1.17%
15/16	\$ 1,891,347	\$ 19,303	1.02%
16/17	\$ 2,160,261	\$ 51,181	2.37%



On June 26, 2007 the City Council of the City of Brentwood, through Resolution No. 2007-152, established Community Facilities District No. 5 (CFD No. 5). A notice of special tax lien has been recorded at the County Recorder's office identifying a continuing lien in force and effect until the special tax obligation is either permanently satisfied on June 30, 2107 or is cancelled by the City Council at an earlier date. In compliance with the proceedings governing the formation of CFD No. 5, the special tax has been levied on each taxable parcel within the District according to the provisions of the Rate and Method of Apportionment of Special Taxes. The Rate and Method of Apportionment of Special Taxes is available from the City Clerk.

As of June 30, 2017, CFD No. 5 consisted of 506 taxable single-family residential parcels, 2 taxable residential condominium parcels, 54 taxable multi-family residential units, 41 taxable rural single-family residential parcels and 38.73 acres of taxable non-residential property. Parcels become taxable if a building permit was issued prior to January 1, 2016.

A. BOUNDARY MAP

A map showing the boundary diagram of CFD No. 5 can be found on page 38.

B. FACILITIES AND SERVICES FINANCED BY THE DISTRICT

The public facilities and services which may be financed by CFD No. 5 are described below.

i. Facilities

- a. Public Protection and Safety Facilities (City Council Resolution 2007-152, Exhibit A-1, *Facilities*, Section I.)
 - Acquisition of lands, easements and rights-of-way needed for the construction and/or acquisition of public protection and safety facilities, including but not limited to Emergency Operations Center, Dispatch Center and Mobile Command Center, together with all associated costs including, but not limited to, professional services, title reports and appraisals.
 - Construction and/or acquisition of public protection and safety facilities, including, but not limited to, design, construction, administration, equipment, furnishings, and all incidental costs necessary to provide said facilities and public protection and safety services and programs throughout the City.
- b. Governmental and Community Facilities (City Council Resolution 2007-152, Exhibit A-1, *Facilities*, Section II.)
 - Governmental and Community Facilities which the City of Brentwood is authorized by law to contribute revenue to, construct, own or operate, including, but not limited to, Community and Cultural Centers, Libraries, Joint Use School Facilities and Downtown Brentwood Infrastructure. This may include the expansion, rehabilitation and/or upgrade of existing facilities.
 - Acquisition of lands, easements and rights-of-way needed for the construction and/or acquisition of governmental and community facilities, together with all associated costs including, but not limited to, professional services, title reports and appraisals.
 - Construction and/or acquisition of governmental and community facilities, including, but not limited to, design, construction, administration, equipment, furnishings, and all

incidental costs necessary to provide said facilities for conducting community and/or joint use programs and services throughout the City.

- c. Flood and Storm Drainage Facilities (City Council Resolution 2007-152, Exhibit A-1, *Facilities*, Section III.)
 - Acquisition of lands, easements and rights-of-way needed for the construction, acquisition and/or modification of flood and storm drainage facilities, together with all associated costs including, but not limited to, professional services, title reports and appraisals.
 - Construction, acquisition and/or modification of flood and storm drainage facilities, including, but not limited to, design, construction, administration and equipment together with all other miscellaneous costs necessary for compliance with local, state and federal regulations.
- d. Roadway Construction and Rehabilitation of Facilities (City Council Resolution 2007-152, Exhibit A-1, *Facilities*, Section IV.)
 - Acquisition of lands, easements and rights-of-way needed for the purposes of roadway construction, modification, rehabilitation and/or widening, together with all associated costs including, but not limited to, professional services, title reports and appraisals.
 - Construction, modification, rehabilitation and/or widening of roadways, including, but not limited to pavement, curb, gutter, sidewalk and pavement sealing, necessary to repair, improve and extend the life of the roadway.
- e. Undergrounding of Utility Transmission and Distribution Facilities (City Council Resolution 2007-152, Exhibit A-1, *Facilities*, Section V.)
 - Acquisition of lands, easements and rights-of-way needed for the undergrounding of utility transmission and distribution facilities, together with all associated costs including, but not limited to, professional services, title reports and appraisals.
 - Undergrounding of utility transmission and distribution facilities, including construction, equipment, furnishings and all incidental costs related thereto.

ii. Services

- a. Public Protection and Safety Services (City Council Resolution 2007-152, Exhibit A-1, *Services*, Section I.)
 - Public protection and safety personnel salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal operation of these types of services and the employment of the necessary personnel.
- b. Joint Use School Site Services (City Council Resolution 2007-152, Exhibit A-1, *Services*, Section II.)
 - Maintenance of joint use school/park facilities and structures between the City and the School Districts within the City of Brentwood which includes, but is not limited to, elementary and secondary school/park sites and structures servicing the residents of the City of Brentwood. Such services shall only be those necessary for the City's share of the general public use of the joint use school park facilities and structures, and shall not include any costs associated with school use or maintenance.

- Personnel salaries, benefits and other associated operation and maintenance costs which are needed for the daily activities and normal operation of these types of services and programs, and the employment of the necessary personnel.
- c. Flood and Storm Drainage Services (City Council Resolution 2007-152, Exhibit A-1, *Services*, Section III.)
- Maintenance, operation and inspection for regulatory compliance of flood and storm drainage improvements owned or otherwise controlled by the City of Brentwood.
 - Salaries, benefits and other associated operation, maintenance and regulatory compliance inspection costs which are needed for the daily activities and normal employment of these types of personnel.

C. REVENUES AND EXPENDITURES

CFD No. 5 – Table 1 shows the FY 2016/17 revenues and expenditures of special tax funds for CFD No. 5. Per Section 53343.1 of the California Government Code, monies expended for facilities and/or services include an identification of the categories of each type of facility/service funded, and the total percentage of the cost of each type of facility/service funded with either bond proceeds or special taxes. For monies expended for other administrative costs, each of the costs is identified.

CFD No. 5 – TABLE 1		
Revenues and Expenditures		
Fund Balance July 1, 2016	\$ 294,237	
Revenues		
Annual CFD Special Tax	\$ 644,000	
Total Revenues	\$ 644,000	
Expenditures		Comments
Facilities	\$ -	
Services		
Reimburse City for Public Safety Services	300,000	100% from Special Taxes
Costs of Bonded Indebtedness		
Debt Service Obligations	43,069	100% from Special Taxes
Costs of Collecting the Special Tax		
Contra Costa County Property Tax Administration	729	100% from Special Taxes
Administration		
CFD Special Tax Administration	5,004	
Investment Administration	1,950	
Administration Subtotal	6,954	
Total Expenditures	\$ 350,752	
Fund Balance June 30, 2017	\$ 587,485	

i. Revenues

a. Special Tax Levy

- The maximum special tax rate has been levied each year since FY 2006/07 per the Rate and Method Apportionment of Special Taxes. CFD No. 5 – Table 2 outlines the FY 2016/17 tax rate calculations and the revenue by parcel classification.

CFD No. 5 – TABLE 2					
Special Tax Revenue Summary for FY 2016/17					
Parcel Classification	Maximum Rate	Levied Rate	Number of Taxable Residences/Units	Number of Taxable Acres	Total Revenue ⁽³⁾
Single-Family	\$776/residence ⁽¹⁾	\$776/residence	506	-	\$ 392,736
Condominium	\$582/residence ⁽¹⁾	\$582/residence	2	-	1,164
Multi-Family	\$388/unit ⁽¹⁾	\$388/unit	54	-	20,956
Commercial	\$5,094/acre ⁽²⁾	\$5,094/acre	-	28.25	143,928
Industrial	\$5,094/acre ⁽²⁾	\$5,094/acre	-	-	-
Rural	\$776/residence ⁽¹⁾	\$776/residence	41	-	31,823
Institutional	\$5,094/acre ⁽²⁾	\$5,094/acre	-	10.48	53,393
Total			603	38.73	\$ 644,000

(1) Residential maximum rates are increased annually by 2%.

(2) Non-Residential maximum rates are increased annually by the CPI for San Francisco Bay Area Urban Wage Earners with a minimum of 2%.

(3) Levy amount may be subject to prior year adjustment by Contra Costa County.

ii. Expenditures

- Aside from the minor expenses associated with the costs of collecting the special tax and the administration of the CFD, the funds in CFD No. 5 were expended on Public Safety Services incrementally required by development of properties within the CFD and debt service obligations. Additional information regarding the debt service obligations of CFD No. 5 can be found in the Bonded Indebtedness section beginning on page 28.

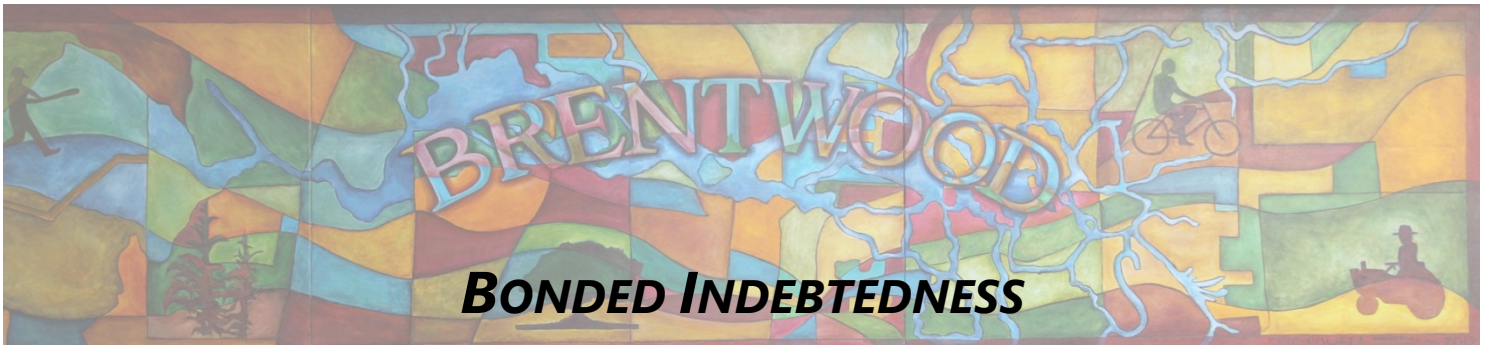
D. SPECIAL TAX ROLL

A list of each parcel within the boundaries of CFD No. 5, upon which the special tax has been levied for FY 2016/17, may be requested through the City Clerk.

E. DELINQUENCY RATES

Each year the special taxes are levied and due concurrently with general ad-valorem property taxes (December and April respectively). If the special taxes are not paid by these deadlines, they are considered delinquent. CFD No. 5 – Table 3, on the following page, shows the last ten years delinquency rates by fiscal year for CFD No. 5.

CFD No. 5 – TABLE 3			
Delinquency History			
Fiscal Year	Amount Levied	Delinquent Amount	Delinquency As of June 30
07/08	\$ -	\$ -	0.00%
08/09	\$ 48,221	\$ -	0.00%
09/10	\$ 87,327	\$ 2,326	2.66%
10/11	\$ 110,439	\$ 23,180	20.99%
11/12	\$ 143,621	\$ 703	0.49%
12/13	\$ 198,905	\$ 25,497	12.82%
13/14	\$ 339,646	\$ 40,018	11.78%
14/15	\$ 420,015	\$ 8,447	2.01%
15/16	\$ 488,117	\$ 17,243	3.53%
16/17	\$ 644,000	\$ 24,795	3.85%



The Mello-Roos Community Facilities Act of 1982 allows local governments to establish Community Facilities Districts, which encompass areas to be served by proposed facilities or services. The CFDs have bonding and taxing authority, so bonds can be issued to finance public facilities or services and the bonds will be repaid by a special tax levied by the CFD. Therefore, in a Mello-Roos bond financing, users of financed facilities pay for those facilities through the payment of a special tax. Mello-Roos bond financing provides some unique advantages to local government. Mello-Roos bond projects are initiated, approved and operated for and by the local community, so that only projects which are truly positive additions to the area will be financed. Mello-Roos bond financing gives local governments a tool with which to promote appropriate development and to provide the infrastructure needed in developing areas.

On October 16, 2009, the Brentwood Infrastructure Financing Authority ("Authority") issued \$48,000,000 in Civic Center Project Lease Revenue Bonds, Series 2009A \$4,055,000 and Taxable Series 2009B \$43,945,000 ("2009 Civic Center Bonds"), to finance the construction of a new City Hall, new Community Center and a new Senior Center, plus library improvements and other public capital improvements of which \$20,210,526 is the CFDs portion. Total annual debt service payments from the CFDs, including interest at 3.00% to 7.647%, range from \$1,318,306 to \$1,831,665. These debt service amounts are prior to Federal interest rebates relating to the 2009B portion of the bonds and portions paid by Capital Improvement Financing Plan (CIFP) refinance savings as described below.

The taxable portion of the 2009B bonds were sold as "Build America Bonds" (BABs) pursuant to the American Recovery and Reinvestment Act of 2009. The interest on BABs is not tax-exempt and therefore the bonds carry a higher interest rate. However, this higher interest rate will be offset by a subsidy payable by the United States Treasury to the Authority, or its designee, equal to 35% of the interest payable on the bonds. Such a subsidy will be payable on or about the date the City makes its debt service payments. The total subsidy received in FY 2016/17 was \$1,051,497 and was allocated entirely to the CFDs.

Due to the Federal sequestration, certain local government refundable credits, including the BABs rebate, have been reduced beginning with refunds processed on or after March 1, 2013. Refunds processed between October 1, 2016 and September 30, 2017 were reduced by 6.9% and those processed between October 1, 2017 and September 30, 2018 will be reduced by 6.6%. These reductions have been accounted for in the debt service obligation schedules included in this report. Due to the uncertainty of the continuation of sequestration reductions, the debt service obligation schedules assume the perpetuation of the 6.6% reduction in the BABs rebate for the remainder of the debt service obligation.

The 2009 Civic Center Bonds are secured by a lien on and pledge of revenues under the Trust Agreement. "Revenues" means all amounts received by the Trustee as payment on principal and interest. The City's revenue sources are from the Successor Agency to the Brentwood Redevelopment Agency which has pledged future tax revenues for the repayment of a portion of the bonds, pledged payments from the CFD local obligations and pledged payments from the CIFP revenues. However, should these revenue sources not be sufficient to cover the principal and interest payments due in any year, the City is obligated under the Facilities Lease to pay such shortfall from the General Fund. The terms of the 2009 Civic Center Bonds can be found in the Official Statement located on the City website. Payments on the 2009 Civic Center Bonds began in 2012; however, Federal interest rebates and the timing of CIFP debt service payments delayed the onset of CFD debt service payments until FY 2015/16, in which the CFDs paid a portion of their debt service obligations.

The City utilizes CIFP Bonds to assist in the funding of master-planned infrastructure. CIFP Bonds allow developers to prefund their development fees and facilitate the ability of the City to keep pace with the

new infrastructure demands associated with development. As interest rates have dropped, the City has taken advantage of the market and refinanced a portion of the outstanding CIPF bonds. The refinanced savings were allocated to pay a portion of the CFD debt service obligations in CFD No. 3, No. 4 and No. 5 from 2012 through 2016. The City was not obligated to transfer the CIPF savings for this specific purpose.

A. FACILITIES FINANCED BY THE DISTRICTS

i. Brentwood Senior Activity Center

The development and construction of the Brentwood Senior Activity Center, an approximately 8,375 sq. ft. facility directly south of the Aquatic Center. This facility provides three meeting/classroom spaces, a large kitchen, a multi-purpose space of approximately 3,400 sq. ft., parking, a bus turnout, including a bus shelter on Balfour Road, landscaping, lighting and an art element.

ii. Brentwood Community Center

Construction of a 32,000 sq. ft., two story Community Center with a maximum 30-ft. height. The Community Center includes expanded services and offerings including space for art, multi-purpose rooms, banquet facilities, catering kitchen, activity rooms, exercise rooms and exterior event spaces. All new structures were designed to meet the Leadership in Energy and Environmental Design (LEED) Certified-level standard of the U.S. Green Building Council (USGBC).

iii. Library Relocation and New Construction

In order to construct the Civic Center, the existing library was relocated. Phase I of the project consisted of building an interim library in the 104 Oak Street portion of the City Hall annex building and consolidating staff in the remaining portion of the building. Phase I was completed in June 2009. Phase II began in 2013 with the preparation of a needs assessment and development alternatives which have been presented to and reviewed by City Council. City Council has agreed on the development alternative to tear down the three Oak Street buildings (104, 118 and 120 Oak Street).

In October 2015, City Council approved the Library – New Construction Capital Improvement Program (CIP) project to account for the tear down of the Oak Street buildings on the City-owned parcels and the construction of a new library slated to be two stories tall with only a partial upper story. The project will include an outdoor space for library patrons and an entrance courtyard. The total approximate square footage is 20,275.



B. BOND PROCEEDS AND STATUS OF CONSTRUCTION

The current status of facilities funded all, or in part, by CFD cash or CFD bond proceeds is shown below.

CFD Cash and Bond Proceeds Funding and Status of Facilities Construction						
	Library Relocation Phase I CIP No. 337-37194	Brentwood Senior Activity Center CIP No. 522-52280	Community Center CIP No. 337-37195	Library Relocation Phase II CIP No. 337-37222 ⁽¹⁾	Library - New Construction CIP No. 337-37241	TOTALS
Project Budget	\$ 1,149,706	\$ 5,018,755	\$ 13,744,212	\$ 86,935	\$ 13,500,000	\$ 33,499,608
Funding Sources						
CFD Bond Proceeds	\$ 1,000,000	\$ 4,699,712	\$ 2,741,664	\$ 86,935	\$ 7,900,000	\$ 16,428,311
CFD No. 3 Cash	-	16,728	-	-	-	16,728
CFD No. 4 Cash	149,706	2,027	-	-	-	151,733
CFD No. 5 Cash	-	-	-	-	-	-
Totals	\$ 1,149,706	\$ 4,718,467	\$ 2,741,664	\$ 86,935	\$ 7,900,000	\$ 16,596,772
Total % of Project Cost by Funding Source						
CFD Bond Proceeds	86.98%	93.64%	19.95%	100.00%	58.52%	49.04%
CFD Cash	13.02%	0.37%	0.00%	0.00%	0.00%	0.50%
Total % of CFD Funding	100.00%	94.01%	19.95%	100.00%	58.52%	49.54%
Percentage Complete As of	100% June 2009	100% January 2009	100% January 2012	100% October 2015	40% October 2017	

(1) The Library Relocation Phase II project was closed out with the Council approval of the Library - New Construction project.

C. DEBT SERVICE

The debt service obligations for each CFD are shown below.

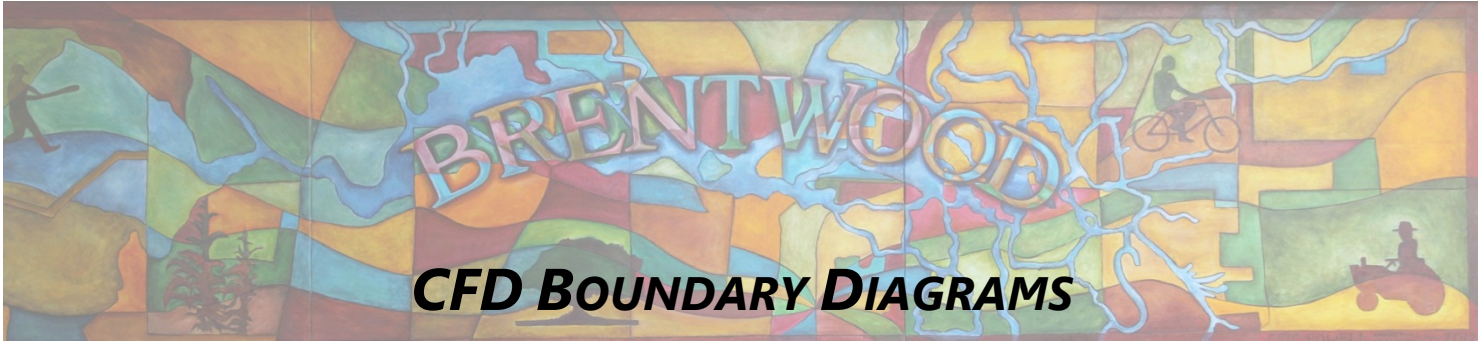
CFD No. 3 Debt Service Obligations				
Year Ending June 30	Principal	Interest	BABs Rebate	Total
2018	\$ 360,669	\$ 1,022,875	\$ (792,858)	\$ 590,686
2019	375,096	1,000,213	(776,553)	598,756
2020	389,523	976,663	(758,269)	607,917
2021	405,552	951,870	(739,020)	618,402
2022	423,185	925,512	(718,556)	630,141
2023-2027	2,409,269	4,154,602	(2,429,422)	4,134,449
2028-2032	3,040,840	3,151,842	(1,676,780)	4,515,902
2033-2037	3,869,578	1,844,697	(981,379)	4,732,896
2038-2040	2,814,821	329,862	(175,486)	2,969,197
Total	\$ 14,088,533	\$ 14,358,136	\$ (9,048,323)	\$ 19,398,346

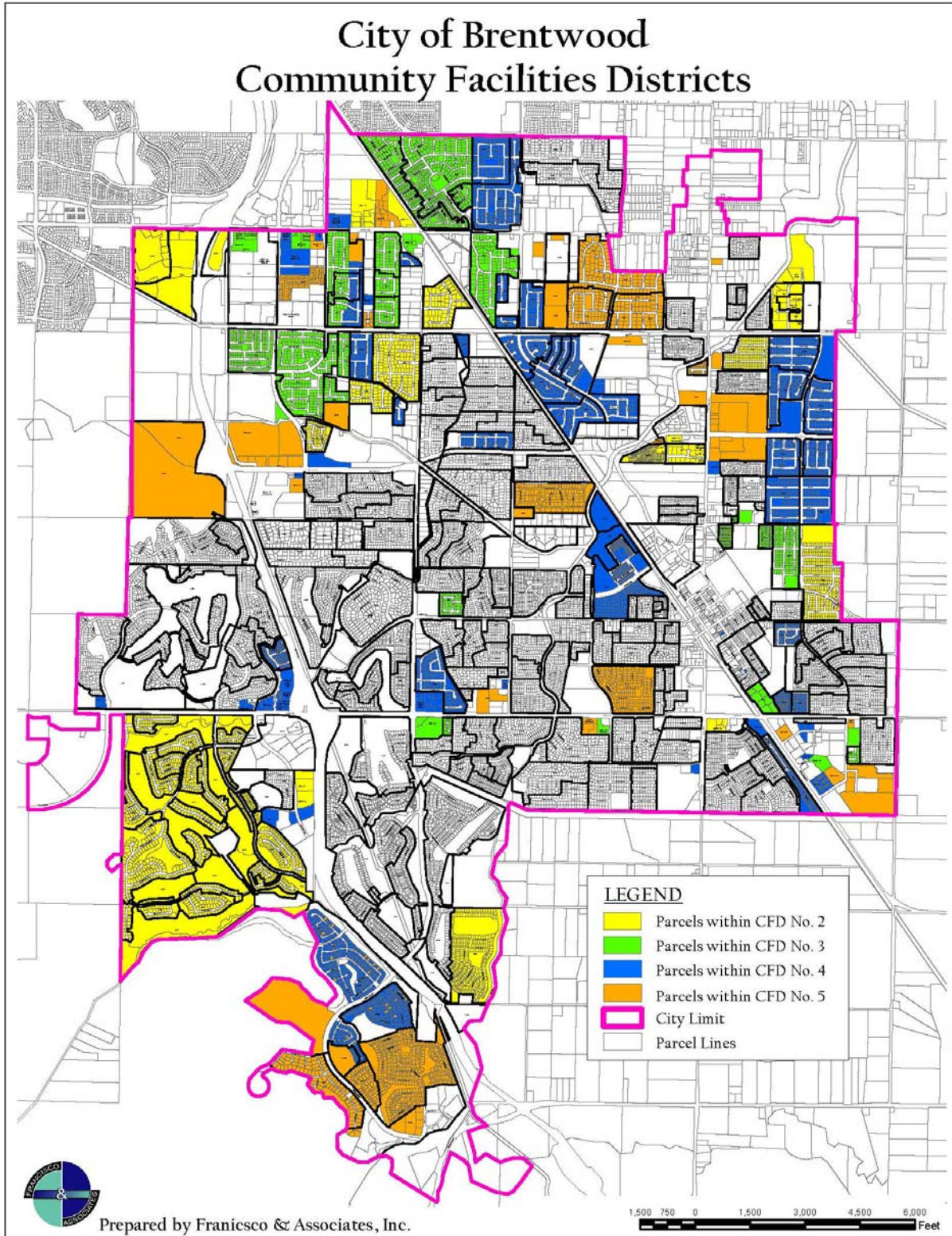
CFD No. 4				
Debt Service Obligations				
Year Ending June 30	Principal	Interest	BABs Rebate	Total
2018	\$ 86,531	\$ 245,407	\$ (190,221)	\$ 141,717
2019	89,992	239,970	(186,310)	143,652
2020	93,454	234,320	(181,923)	145,851
2021	97,300	228,371	(177,305)	148,366
2022	101,530	222,048	(172,395)	151,183
2023-2027	578,028	996,766	(582,863)	991,931
2028-2032	729,554	756,186	(402,291)	1,083,449
2033-2037	928,384	442,577	(235,451)	1,135,510
2038-2040	675,328	79,139	(42,102)	712,365
Total	\$ 3,380,101	\$ 3,444,784	\$ (2,170,861)	\$ 4,654,024

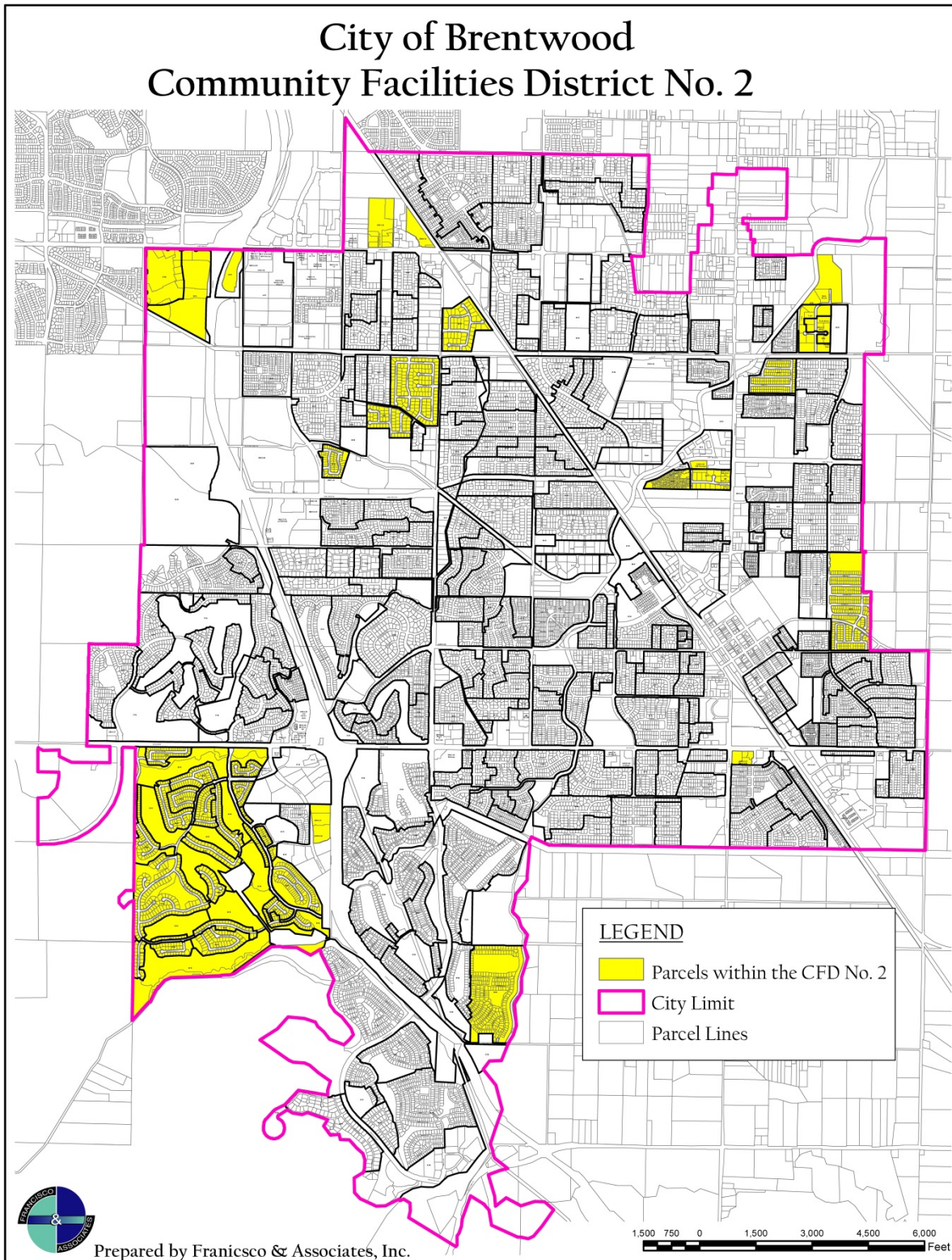
CFD No. 5				
Debt Service Obligations				
Year Ending June 30	Principal	Interest	BABs Rebate	Total
2018	\$ 26,484	\$ 75,110	\$ (58,220)	\$ 43,374
2019	27,543	73,446	(57,022)	43,967
2020	28,603	71,717	(55,680)	44,640
2021	29,780	69,896	(54,267)	45,409
2022	31,075	67,961	(52,764)	46,272
2023-2027	176,913	305,073	(178,393)	303,593
2028-2032	223,290	231,441	(123,126)	331,605
2033-2037	284,144	135,457	(72,063)	347,538
2038-2040	206,692	24,221	(12,886)	218,027
Total	\$ 1,034,524	\$ 1,054,322	\$ (664,421)	\$ 1,424,425

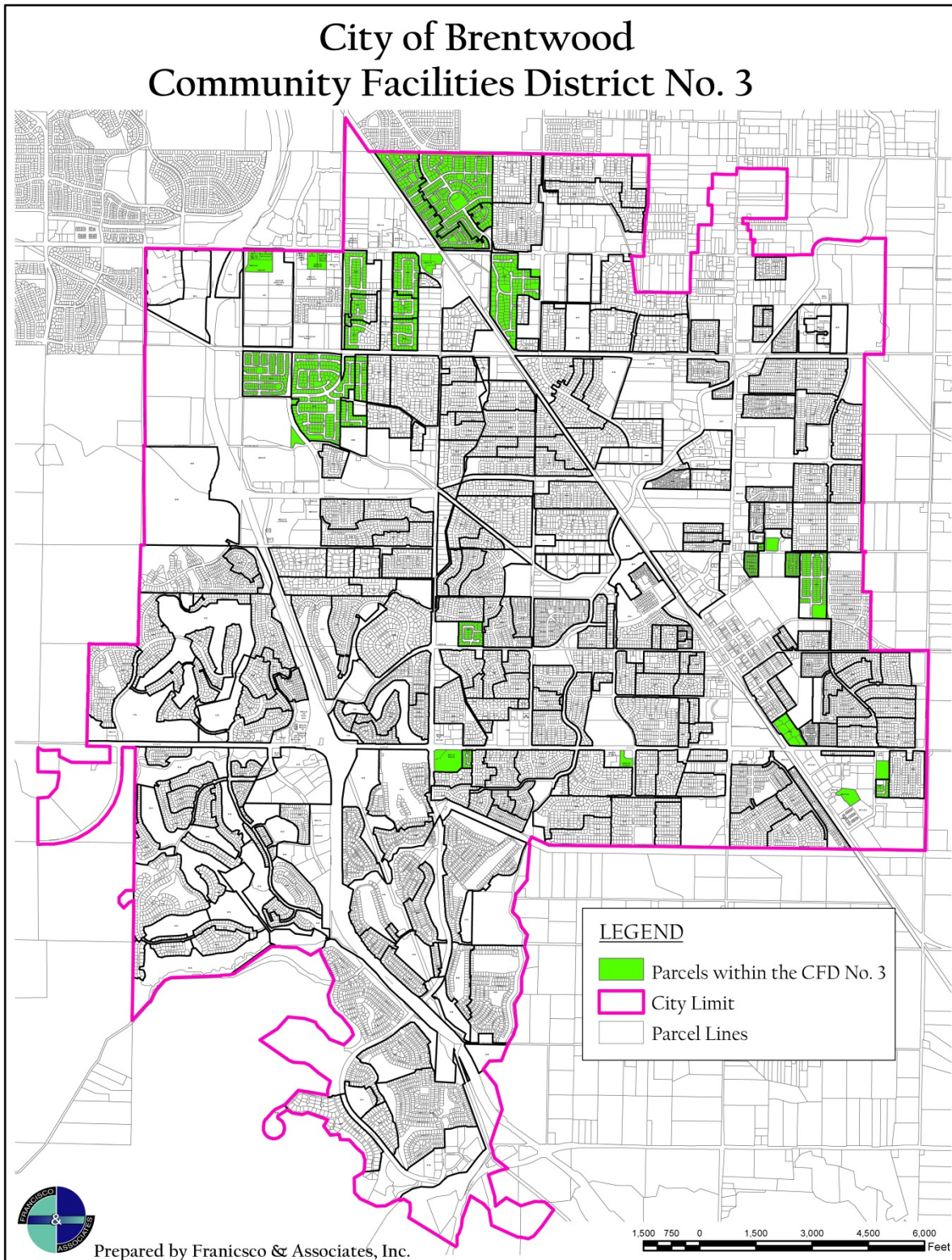


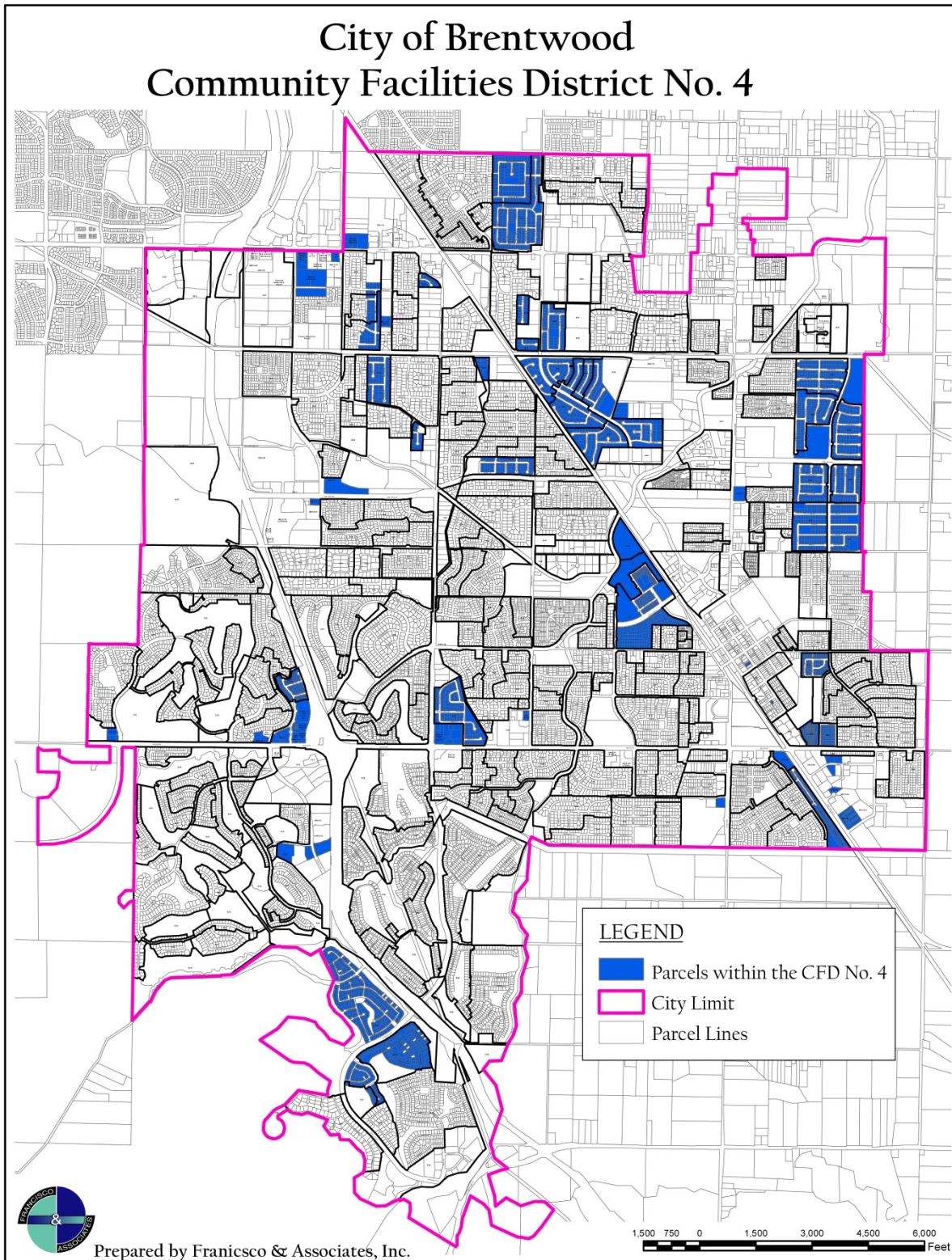
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Prepared by Francisco & Associates, Inc.

