

**CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 93-1
(I-205 PARCEL GL-17)**

**CFD TAX ADMINISTRATION REPORT
FISCAL YEAR 2024-25**

June 1, 2025

Community Facilities District No. 93-1
CFD Tax Administration Report

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EXECUTIVE SUMMARY

The following summary provides a brief overview of the main points from this report regarding the City of Tracy Community Facilities District No. 93-1 (I-205 Parcel GL-17) (“CFD No. 93-1” or “CFD”):

Fiscal Year 2024-25 Special Tax Levy

Number of Taxed Parcels	Total Special Tax Levy
19	\$285,325

For further detail regarding the special tax levy or special tax rates, please refer to Section IV of this report.

Taxable Property for Fiscal Year 2024-25

Type of Property	Acreage
Final Use Property	30.55 Acres
Undeveloped Property	0.00 Acres

For more information regarding taxable property in CFD No. 93-1, please see Section V of this report.

Outstanding Bonds Summary

Bonds	Original Principal	Amount Retired	Current Amount Outstanding
Series A (1996) Bonds	\$1,385,000	\$1,190,000*	\$195,000*
Series 2002 Bonds	\$2,165,000	\$795,000*	\$1,370,000*

** As of the date of this report.*

I. INTRODUCTION

City of Tracy Community Facilities District No. 93-1 (I-205 Parcel GL-17)

On March 2, 1993, the City Council of the City of Tracy (the “City”) established Community Facilities District No. 93-1 (I-205 Parcel GL-17). In a landowner election held on the same day, the then-qualified landowner electors within the CFD authorized the levy of a Mello-Roos special tax on property within CFD No. 93-1. Property in the CFD consists of a portion of the I-205 Specific Plan, commonly referred to as Parcel GL-17. Development within the district includes approximately 47.9 acres of non-residential property.

The types of facilities to be funded by special tax revenues include improvements required in the I-205 Corridor Specific Plan including construction of street improvements, sanitary sewer treatment facilities, water supply facilities, street storm drainage, construction of street frontage improvements on Grant Line Road, and other public infrastructure improvements for the benefit of CFD No. 93-1.

The Mello-Roos Community Facilities Act of 1982

The reduction in property tax revenue that resulted from the passage of Proposition 13 in 1978 required public agencies and real estate developers to look for other means to fund public infrastructure. The funding available from traditional assessment districts was limited by certain requirements of the assessment acts, and it became clear that a more flexible funding tool was needed. In response, the California State Legislature (the “Legislature”) approved the Mello-Roos Community Facilities Act of 1982, which provides for the levy of a special tax within a defined geographic area, namely a community facilities district, if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad range of facilities, and special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

A community facilities district is authorized to issue tax-exempt bonds that are secured by land within the district. If a parcel does not pay the special tax levied on it, a public agency can foreclose on the parcel and use the proceeds of the foreclosure sale to ensure that bondholders receive interest and principal payments on the bonds. Because bonds issued by a community facilities district are land-secured, there is no risk to a public agency’s general fund or taxing capacity. In addition, because the bonds are tax-exempt, they typically carry an interest rate that is lower than conventional construction financing.

II. PURPOSE OF REPORT

This CFD Tax Administration Report (the “Report”) presents findings from research and financial analysis performed by Goodwin Consulting Group, Inc. to determine the fiscal year 2024-25 special tax levy for CFD No. 93-1. The Report is intended to provide information to interested parties regarding CFD No. 93-1, including the current financial obligations of the CFD, special taxes to be levied in fiscal year 2024-25, and the development status of the district.

The remainder of the Report is organized as follows:

- **Section III** identifies financial obligations of CFD No. 93-1 for fiscal year 2024-25.
- **Section IV** provides a summary of the methodology that is used to apportion the special tax among parcels in CFD No. 93-1.
- **Section V** summarizes the status of development within CFD No. 93-1.
- **Section VI** describes special tax prepayments that have occurred in the CFD.
- **Section VII** provides information on state reporting requirements.

III. SPECIAL TAX REQUIREMENT

Special taxes for CFD No. 93-1 are levied pursuant to the methodology set forth in the Rate and Method of Apportionment of Special Tax (“RMA”), which was adopted as an exhibit to the Resolution of Formation of CFD No. 93-1. The amount of the Special Tax levied in any fiscal year is determined through the application of the Special Tax Requirement. *(Unless otherwise indicated, capitalized terms are defined in the RMA in Appendix C.)*

Special Tax Requirement

The Special Tax Requirement is defined as the amount that must be levied in any fiscal year to: pay the authorized costs and expenses of CFD No. 93-1 including those necessary to administer the bonds, collect and administer the Special Taxes, and administer CFD No. 93-1 (which total administrative amount shall be separately stated in each levy), to pay current debt service on the bonds, to accumulate funds for future debt service, to pay amounts delinquent on the bonds (or to become delinquent based upon past Special Tax delinquencies), to replenish the reserve fund to its proper level (including payments to be made from the reserve fund based upon past special tax delinquencies), to pay directly for any authorized facilities or to accumulate funds for that purpose, less all amounts, from any lawful source, available for payment of these costs. For fiscal year 2024-25, the Special Tax Requirement is \$285,325. The calculation of the Special Tax Requirement is shown in the following table.

Special Tax Requirement* Fiscal Year 2024-25

Debt Service – Series 1996 Bonds	\$107,285
March 1, 2025 Interest Payment	\$6,143
September 1, 2025 Interest Payment	\$6,143
September 1, 2025 Principal Payment	\$95,000
Debt Service – Series 2002 Bonds	\$150,560
March 1, 2025 Interest Payment	\$42,780
September 1, 2025 Interest Payment	\$42,780
September 1, 2025 Principal Payment	\$65,000
Administrative Expenses	\$27,480
District Administration	\$11,980
Special Tax Consultant	\$15,500
Special Tax Requirement for Fiscal Year 2024-25	\$285,325

**Totals may not sum due to rounding.*

IV. SPECIAL TAX LEVY

Special taxes within CFD No. 93-1 are levied pursuant to the methodology set forth in the RMA. Among other things, the RMA establishes criteria for taxable property against which the special tax may be levied, the maximum special tax, and the methodology by which the special tax is applied. *(Unless otherwise indicated, capitalized terms are defined in the RMA in Appendix C.)*

Final Use Property

The only property subject to the special tax within CFD No. 93-1 are parcels of Final Use Property. Final Use Property means all of an Original Parcel (and all of its successor Properties) once a building permit has been obtained from the City for a structure anywhere on such Original Parcel, as well as all Property within CFD No. 93-1 once building permits have been obtained from the City for structures anywhere on two Original Parcels.

Maximum Special Tax Rate

The maximum special tax applicable to Final Use Property in CFD No. 93-1 is set forth in Section II of the RMA. The percentage of the maximum special tax rates that will be levied on each parcel in fiscal year 2024-25 are determined by the method of apportionment included in Section III of the RMA. The table in Appendix A identifies the fiscal year 2024-25 maximum and actual special tax rates for taxable property in the CFD.

Apportionment of the Special Tax

Each fiscal year, as set forth in Section III of the RMA, the Administrator shall determine the Special Tax Requirement and shall levy the Special Tax as follows:

- 1) The Special Taxes shall be levied for each fiscal year by the Council, or by City staff under guidelines and authority established by the City Council. The Special Taxes shall be set initially, at the maximum rate for all Final Use Property.
- 2) If the resulting Special Taxes, together with funds on hand in the redemption fund, foreclosure proceeds, property redemptions, reimbursements and any other lawfully available and committed funds, exceed, in the aggregate, the Special Tax Requirement, then the amount of that excess shall be stated as a percentage of the total amount of Special Tax that could be raised for that fiscal year if all Final Use Property were taxed at its maximum rate, and the Special Tax on each parcel of Final Use Property shall be reduced by that same percentage of its maximum rate.

The special tax roll, which identifies the special tax to be levied against each parcel in CFD No. 93-1 in fiscal year 2024-25, is provided in Appendix B.

V. FINAL USE PROPERTY

As of June 30, 2024, a total of 19 parcels within CFD No. 93-1 are considered Final Use Property. Based on the current valid assessor's parcels in CFD No. 93-1, the following table summarizes the allocation of acreage to the special tax categories established in the RMA:

**Community Facilities District No. 93-1
Allocation to Special Tax Categories
For Fiscal Year 2024-25**

Type of Property	Number of Acres
Final Use Property	30.55 Acres
Undeveloped Property	0.00 Acres

VI. PREPAYMENTS

As of June 30, 2024, two parcels in CFD No. 93-1 have prepaid their special tax obligation. These parcels are identified by assessor's parcel numbers listed below.

Assessor's Parcel Numbers

238-600-060-000

238-600-180-000

VII. STATE REPORTING REQUIREMENTS

Senate Bill No. 165

On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency. Pursuant to the Sections 50075.3 and 53411, the “chief fiscal officer” of the public agency will, by January 1, 2002, and at least once a year thereafter, file a report with the City setting forth (i) the amount of special taxes that have been collected and expended; (ii) the status of any project required or authorized to be funded by the special taxes; (iii) if bonds have been issued, the amount of bonds that have been collected and expended; and (iv) if bonds have been issued, the status of any project required or authorized to be funded from bond proceeds.

Assembly Bill No. 1666

On July 25, 2016, Governor Jerry Brown signed Assembly Bill No. 1666, adding Section 53343.2 to the California Government Code (“GC”). The bill enhances the transparency of community facilities districts by requiring that certain reports be accessible on a local agency’s web site. Pursuant to Section 53343.2, a local agency that has a web site shall, within seven months after the last day of each fiscal year of the district, display prominently on its web site the following information:

Item (a): A copy of an annual report, if requested, pursuant to GC Section 53343.1. The report required by Section 53343.1 includes CFD budgetary information for the prior fiscal year and is only prepared by a community facilities district at the request of a person who resides in or owns property in the community facilities district. If the annual report has not been requested to be prepared, then a posting to the web site would not be necessary.

Item (b): A copy of the report provided to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to GC Section 53359.5. Under Section 53359.5, local agencies must provide CDIAC with the following: (i) notice of proposed sale of bonds; (ii) annual reports on the fiscal status of bonded districts; and (iii) notice of any failure to pay debt service on bonds, or of any draw on a reserve fund to pay debt service on bonds.

Item (c): A copy of the report provided to the State Controller’s Office pursuant to GC Section 12463.2. This section refers to the parcel tax portion of a local agency’s Financial Transactions Report that is prepared for the State Controller’s Office annually. Note that school districts are not subject to the reporting required by GC Section 12463.2.

Assembly Bill No. 1483

On October 9, 2019, Governor Gavin Newsom signed Assembly Bill No. 1483, adding Section 65940.1 to the California Government Code. The law requires that a city, county, or special district that has an internet website, maintain on its website a current schedule of fees, exactions, and affordability requirements imposed by the public agency on all housing development projects. Pursuant to Section 65940.1, the definition of an exaction includes a special tax levied pursuant to the Mello-Roos Community Facilities Act.

Assembly Bill No. 1483 defines a housing development project as consisting of (a) residential units only; or (b) mixed-use developments consisting of residential and non-residential land uses with at least two-thirds of the square footage designated for residential use; or (c) transitional housing or supportive housing. Assembly Bill No. 1483 also requires a city, county, or special district to update this information on their website within 30 days of any changes made to the information.

APPENDIX A

Summary of Fiscal Year 2024-25 Special Tax Levy

APPENDIX B

***Fiscal Year 2024-25 Special Tax Levy
for Individual Assessor's Parcels***

APPENDIX C

Rate and Method of Apportionment of Special Tax

APPENDIX D

Boundary Map of Community Facilities District No. 93-1

APPENDIX E

*Assessor's Parcel Maps for
Fiscal Year 2024-25*
