

TO: JAMES L. APP, CITY MANAGER
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: PRESENTATION REGARDING COMMUNITY FACILITIES DISTRICTS
DATE: JANUARY 20, 2004

Needs: For the City Council to receive a presentation from David Taussig of David Taussig & Associates regarding the potential uses of Community Facilities Districts, and to direct staff to bring back a report outlining options for City Council consideration at a later date.

Facts:

1. One of the key policy components of the recently adopted General Plan update is “fiscal neutrality”.
2. Through the use of a Fiscal Impact Analysis Model the City can evaluate the extent to which any project or area of the City (e.g. specific plan areas) would maintain fiscal neutrality (i.e.: return revenues at least equal to the cost of providing facilities and services).
3. As was presented by David Taussig at the December 2, 2003 City Council meeting, a Fiscal Impact Analysis of the General Plan update indicates that there will be a need to seek mitigation measures in order to insure that anticipated residential annexation areas, specific plans and other developments are “fiscally neutral”.
4. A CFD can provide a means to address shortfalls in revenues to pay for both City operations (the annual cost of providing services including but not limited to public safety and road maintenance) and also infrastructure (such as the one-time costs of construction of roads and other facilities)
5. There also appears to be a potential application of CFDs to assist the Paso Robles School District in mitigating the impacts of providing facilities to serve future residential growth. Representative of the School District has expressed interest in exploring these options.

Analysis
and

Conclusion: Used in conjunction with Development Impact Fees, Specific Plan Fees, and other tools, Community Facilities Districts (CFDs) can be used to help insure “fiscal neutrality” in relation to the cost of serving new (typically residential) development. The intent is to insure that new development does not create a financial burden on existing residents and property owners.

At the January 20, 2003 Council meeting, David Taussig will provide a presentation designed to inform the City Council and interested public on the range of potential uses of CFDs.

Based on Mr. Taussig’s presentation, at a subsequent meeting staff will be prepared to present a range of options for City Council consideration.

Policy

Reference: Fiscal Neutrality policy contained in the adopted General Plan

Fiscal

Impact: CFDs can help insure that new residential development will not have an adverse fiscal impact on the City in terms of both city operations and infrastructure. CFDs can also potentially assist the Paso Robles School District with regards to their facility needs.

Options:

- a. For the City Council to receive a presentation from David Taussig, pose any related questions or information needs that would assist the Council in determining how CFDs may be valuable in implementing the policies of the City’s General Plan, and direct staff to return with a set of CFD related options for City Council consideration. (No formal action is sought at the January 20, 2004 Council meeting; options for Council evaluation will be presented at a subsequent Council meeting.)
- b. Amend, modify or reject the foregoing option.