



DAVIS JOINT UNIFIED SCHOOL DISTRICT

**MELLO-ROOS COMMUNITY FACILITIES DISTRICT
No. 1**

SPECIAL TAX REPORT - PRELIMINARY

FISCAL YEAR 2015-16

AUGUST, 2015

PURSUANT TO
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

TAX ADMINISTRATION CONSULTANT:
SCIConsultingGroup
4745 MANGELS BLVD.
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

DAVIS JOINT UNIFIED SCHOOL DISTRICT

BOARD OF EDUCATION

Alan Fernandes, President
Madhavi Sunder, Vice President/Clerk
Tom Adams
Barbara Archer
Susan Lovenburg

DISTRICT SUPERINTENDENT

Winfred B. Roberson, Jr.

ASSOCIATE SUPERINTENDENT OF BUSINESS SERVICES

Bruce Colby

TAX ADMINISTRATION CONSULTANT

SCI Consulting Group

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
TAX DETAIL BY PROPERTY TYPE	4
FISCAL YEAR 2015-16 SPECIAL TAX	6
SPECIAL TAX COSTS AND EXPENDITURES.....	6
OUTSTANDING BONDS	7
DELINQUENCIES	8
ADMINISTRATION OF COMMUNITY FACILITIES DISTRICT	9
GENERAL ADMINISTRATIVE REQUIREMENTS.....	9
DELINQUENCY PROCEDURES.....	9
NOTICES OF SPECIAL TAX LIEN.....	9
REPORTING REQUIREMENTS	10
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.....	11
DISTRICT BOUNDARY DIAGRAM	17
APPENDIX A – SPECIAL TAX ROLL, FY 2015-16.....	I
APPENDIX B – NOTICE OF SPECIAL TAX LIEN	II

LIST OF FIGURES

FIGURE 1 – SUMMARY OF SPECIAL TAX LEVIES BY YEAR.....	2
FIGURE 2 – SUMMARY OF SPECIAL TAX LEVIES BY PROPERTY TYPE	4
FIGURE 3 – SUMMARY OF SPECIAL TAX LEVIES BY COUNTY	5
FIGURE 4 – SUMMARY OF SPECIAL TAX EXPENDITURES	6
FIGURE 5 – BOND ISSUANCES AND PRINCIPAL BALANCES.....	7
FIGURE 6 – COMBINED DELINQUENCY DATA – YOLO & SOLANO COUNTIES.....	8

EXECUTIVE SUMMARY

The Davis Joint Unified School District formed Davis Joint Unified School District Community Facilities District Number 1 (CFD #1) on June 1, 1990 for the purpose of financing new and improved school facilities within the District. CFD #1 was formed after receiving over two-thirds support from registered voters in a special election held on November 7, 1989.

This Report summarizes the fiscal year 2015-16 Special Tax, Method of Apportionment and other related data.

There are currently 18,620 total parcels in CFD #1, which includes both subdivided, non-subdivided parcels and tax-exempt parcels in both Yolo and Solano Counties. The total annual special tax to be collected within CFD #1 for fiscal year 2015-16 is \$4,641,295.08. Figure 1, on the following page, summarizes the current Special Tax data.

FIGURE 1 – SUMMARY OF SPECIAL TAX LEVIES BY YEAR

<i>Fiscal Year</i>	<i>Adjusted Special Tax Units</i>	<i>Tax per STU</i>	<i>Total Tax *</i>	<i>Annual Change Tax Units</i>	<i>Total Tax</i>
1995-96	19,506.75	\$84.00	\$1,638,567.00		
1996-97	19,571.50	\$87.90	\$1,717,453.18	64.75	\$78,886.18
1997-98	19,762.50	\$91.96	\$1,815,704.22	191.00	\$98,251.04
1998-99	20,376.50	\$96.22	\$1,958,411.44	614.00	\$142,707.22
1999-00	21,002.00	\$100.68	\$2,114,481.36	625.50	\$156,069.92
2000-01	22,301.02	\$105.34	\$2,341,600.28	1,299.02	\$227,118.92
2001-02	22,268.02	\$110.22	\$2,454,378.39	(33.00)	\$112,778.11
2002-03	22,243.52	\$115.32	\$2,565,122.73	(24.50)	\$110,744.34
2003-04	22,602.52	\$120.66	\$2,727,156.98	359.00	\$162,034.25
2004-05	22,782.52	\$126.25	\$2,876,144.64	180.00	\$148,987.66
2005-06	22,814.02	\$132.09	\$3,013,355.03	31.50	\$137,210.39
2006-07	22,921.52	\$138.21	\$3,167,833.80	107.50	\$154,478.77
2007-08 ^[1]	22,422.52	\$144.61	\$3,242,369.98	(499.00)	\$74,536.18
2008-09 ^[2]	22,346.02	\$151.30	\$3,380,950.02	(76.50)	\$138,580.04
2009-10	22,571.75	\$158.31	\$3,573,190.94	225.73	\$192,240.92
2010-11 ^[2]	22,528.25	\$165.64	\$3,731,578.83	(43.50)	\$158,387.89
2011-12 ^[2]	22,401.75	\$173.31	\$3,882,306.41	(126.50)	\$150,727.58
2012-13 ^[2]	22,345.50	\$181.34	\$4,051,889.72	(56.25)	\$169,583.31
2013-14 ^[2]	22,273.25	\$189.74	\$4,226,109.42	(72.25)	\$174,219.70
2014-15	22,296.75	\$198.52	\$4,426,350.81	23.50	\$200,241.39
2015-16 ^[2]	21,554.00	\$207.72	\$4,641,295.08	(742.75)	\$214,944.27

*The total tax and number of special tax units listed are the amounts submitted to the County Auditors (after any revisions for property changes). The total tax amounts reflect senior citizen and low income tax reductions. In order to comply with County Auditor levy submission requirements, all taxes are rounded down to the even penny. Therefore, due to this rounding, the total tax listed above does not generally equal the tax units times the tax per STU.

^[1] The decrease in Special Tax Units was due to parcel usecode changes by the County, as well as adjustments made to the Wild Horse Golf Course property.

^[2] The decrease in Special Tax Units for 2008-09, 2010-11 through 2013-14, and again in 2015-16, was largely due to greater numbers of senior citizen reductions awarded than in the respective previous years, as well as additional parcels classified as nontaxable by the County.

TAX DETAIL BY PROPERTY TYPE

The following table summarizes the 2015-16 special tax levies by property type. In addition to presenting an analysis of levies collected from various types of property, this information is provided to bond-holders and is used for disclosure purposes. (The totals shown are not adjusted for senior citizen or low income reductions. The total given for exempt parcels includes nontaxable mobile home parcels in mobile home parks.)

FIGURE 2 – SUMMARY OF SPECIAL TAX LEVIES BY PROPERTY TYPE

<i>Property Type</i>	<i>Total Parcels</i>	<i>Taxed Parcels</i>	<i>Senior Reductions</i>	<i>Low-Inc. Housing Exemptions</i>	<i>Unadjusted Taxable Units</i>	<i>Tax Levy</i>
Single Family Residential	13,679	13,678	1,457	1	13,698	2,694,025
Multi-Family Residential (2-4 units)	647	646	18	1	765	156,621
Condominium	1,176	1,165	58	11	1,165	235,970
Mobile Home, separate parcel	241	234	60	-	117	21,187
Commercial/Industrial	262	262	-	-	1,725	358,213
Office	231	231	2	-	527	109,157
Vacant, mapped	169	169	-	-	169	35,105
Other, pcl that is not in other class	20	1	-	-	1	208
Parking lot/self storage	66	66	-	-	94	19,526
Multi-Family Residential (5+ units)	232	210	1	22	4,821	975,869
Agricultural	301	-	-	-	-	-
Golf course	5	5	-	-	61	12,671
Mobile Home Park	4	4	-	-	110	22,745
Joined	10	-	-	-	-	-
Exempt from CFD1 (not exempt from pcl tax or CFD2)	1,577	-	-	2	-	-
TOTALS	18,620	16,671	1,596	37	23,251.50	\$4,641,295.08

Notes: Property types as defined by Assessor usecodes.

The following figure presents a summary of fiscal year 2015-16 special tax levies by County. (Totals shown are adjusted to account for senior and low income reductions.)

FIGURE 3 – SUMMARY OF SPECIAL TAX LEVIES BY COUNTY

<i>County</i>	<i>Total Parcels</i>	<i>Taxed Parcels</i>	<i>Special Tax Units</i>	<i>Total Tax</i>	<i>Percent of Total</i>
Yolo	18,576	16,659	21,543.00	\$4,638,906.30	99.95%
Solano	44	12	11.00	\$2,388.78	0.05%
Totals	18,620	16,671	21,554.00	\$4,641,295.08	100.00%

FISCAL YEAR 2015-16 SPECIAL TAX

SPECIAL TAX COSTS AND EXPENDITURES

Figure 4 provides the Special Tax levy expenditures for Fiscal Year 2015-16.

FIGURE 4 – SUMMARY OF SPECIAL TAX EXPENDITURES

		Fiscal Year 2015-2016
Beginning Balance		\$19,011,461
Contribution To / From CFD No. 1 Fund		\$4,641,295
Interest Income		\$13,242
		\$23,665,998
Bond Requirements		
Principal Repayment		\$1,900,000
Interest Expense		\$661,156
Administrative Expenses		\$16,578
Less: Credits		\$0
		\$2,577,734
Ending Balance		\$21,088,264
Total Annual Special Tax:		\$4,641,295

OUTSTANDING BONDS

Nine series of Mello-Roos bonds, with a total original principal of \$81,633,630, have been issued to date. Figure 5 below summarizes the bond issuance and outstanding principal balances as of August 31, 2014, to reflect the principal activity generated by the redemption of the Series 2001 bonds in February, 2012.

FIGURE 5 – BOND ISSUANCES AND PRINCIPAL BALANCES

<i>Bond Series</i>	<i>Original Principal</i>	<i>Outstanding Balance</i>
Series 1990 ^[1]	\$3,915,000	\$0
Series 1991 ^[1]	\$12,430,000	\$0
Series 1993 ^[2]	\$5,130,000	\$0
Series 1995 ^[2]	\$1,880,000	\$0
Series 1996 ^[3]	\$21,000,000	\$0
Series 1997 ^[3]	\$2,780,000	\$0
Series 2001 ^[4]	\$4,943,630	\$0
Series 2006	\$7,370,000	\$5,035,000
Series 2007	\$22,185,000	\$12,875,000
Total, CFD No. 1	\$81,633,630	\$17,910,000

^[1] Refunded by Series 1996 bonds

^[2] Refunded by Series 2006 bonds

^[3] Refunded by Series 2007 bonds

^[4] Redeemed in February 2012

DELINQUENCIES

As shown in Figure 6 below, delinquencies for CFD No. 1 were 0.77% of total special taxes levied for 2014-15 special taxes levied for parcels in Yolo and Solano Counties, combined. The District participates in the "Teeter Plan" with the Counties of Yolo and Solano whereby the Counties pay all delinquent special taxes to the District and in return the Counties institute collection proceedings and, when collected, keep all delinquent payments with interest and penalties. This plan allows the District to maintain reliable special tax revenues and reduces the cost of collection.

The District reviews the Counties of Yolo and Solano Tax Collector's public records annually by June 30 to determine the amount of special tax revenues and delinquencies during the fiscal year. If the amount of collections is less than 95% of the amount of special tax levy in such fiscal year, the School District has covenanted with bondholders to institute foreclosure proceedings not later than October 31 to enforce the lien against delinquent installments. The District is also obligated to institute foreclosure proceedings in the case of a single property owner who is delinquent by more than \$25,000.

FIGURE 6 – COMBINED DELINQUENCY DATA – YOLO & SOLANO COUNTIES

	<i>FY 2014-15 Levies</i>
Total Developed Parcels	16,613
Number of Delinquent Parcels	144
Percent of Parcels Delinquent	0.87%
Total Special Tax Levied	\$4,426,350.18
Total Special Taxes Delinquent	\$34,294.30
Percent of Special Tax Delinquent	0.77%

ADMINISTRATION OF COMMUNITY FACILITIES DISTRICT

GENERAL ADMINISTRATIVE REQUIREMENTS

The Mello-Roos Community Facilities District Act of 1982 (the Act) requires that a Special Tax Report be prepared annually to identify the Special Tax Rate for all parcels to be assessed in the upcoming fiscal year. The levy data must subsequently be filed with the County Auditor prior to the second Tuesday in August for inclusion on property tax bills.

After submission of the Special Tax levies, the final levies should be confirmed with the County Auditor prior to the preparation of tax bills, which typically occurs in October. The Special Tax is collected in two equal installments on the tax bills that are due on December 10 and April 10.

DELINQUENCY PROCEDURES

As noted, the District is participating in the County of Solano and County of Yolo Teeter Plan, so the delinquent revenues are prepaid by the Counties. The delinquency rate for the 2014-15 special tax levies was 0.77% for Yolo and Solano Counties, combined. Since no property owner is currently delinquent by an amount in excess of \$25,000, and the delinquency rate on the special taxes is below the 5% threshold the bond covenants, there is no requirement to commence foreclosure proceedings at this time. Moreover, the special taxes are anticipated to remain on the Teeter Plan.

NOTICES OF SPECIAL TAX LIEN

The Act states "For purposes of enabling sellers of real property subject to the levy of special taxes to satisfy the notice requirements of subdivision (b) of Section 1102.6 of the Civil Code, the designated office, department, or bureau shall furnish a Notice of Special Tax to any individual requesting the notice or any owner of property subject to a special tax levied by the local agency within five working days so receiving a request for such notice. The local agency may charge a reasonable fee for this service not to exceed ten dollars." A copy of this notice is included in Appendix B of this Report.

In addition, any developer, subdivider or his or her agent or representative shall not sell, or lease any property subject to the Special Tax until the prospective purchaser or lessee has been furnished with and signed a written notice of special tax lien similar to that shown in Appendix B of this Report.

This notice is designed to clearly and accurately provide information about the special tax and the levy for the subject property.

SCI Consulting Group has developed a custom software system that will look up any property in the District and, among other functions, prints customized notices of special tax lien. This software is included as a standard component of our administrative services.

REPORTING REQUIREMENTS

PUBLIC INFORMATION

Property owners and other interested persons can obtain information regarding special tax levies and other information by contacting the District or SCI Consulting Group at telephone number (800) 273-5167. The telephone number for SCI Consulting Group is also included with property tax bills.

ASSESSOR AND AUDITOR FILING AND REPORTING

Pursuant to the Act, all special tax levies for the upcoming fiscal year must be filed with the County Auditor by August 10. In addition, the Mello-Roos Community Facilities Annual Report must be filed within 120 days after the last day of the fiscal year. The report and special tax levies will be submitted and confirmed for the fiscal year 2015-16.

CDIAC REPORTING

Article 53359.5 of the Act stipulates that any bonds sold on or after January 1, 1993 must provide the California Debt and Investment Advisory Commission (CDIAC) with annual reports not later than October 30, including the following information:

1. The principal amount of any bonds outstanding.
2. The balance in the bond reserve fund.
3. The balance in the capitalized interest fund, if any.
4. The number of parcels which are delinquent with respect to their special tax payments, the amount that each parcel is delinquent, the length of time that each has been delinquent, and when foreclosure was commenced for each delinquent parcel.
5. The balance in any construction funds.
6. The assessed value of all parcels subject to the special tax to repay the bonds as shown on the most recent equalized roll.

As noted, CDIAC reports are prepared annually.

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

The tax listed for each parcel on the tax roll was computed at the following rates per Special Tax Unit for each parcel in CFD #1 existing as of July 1, 2015:

Tax per STU: \$207.72

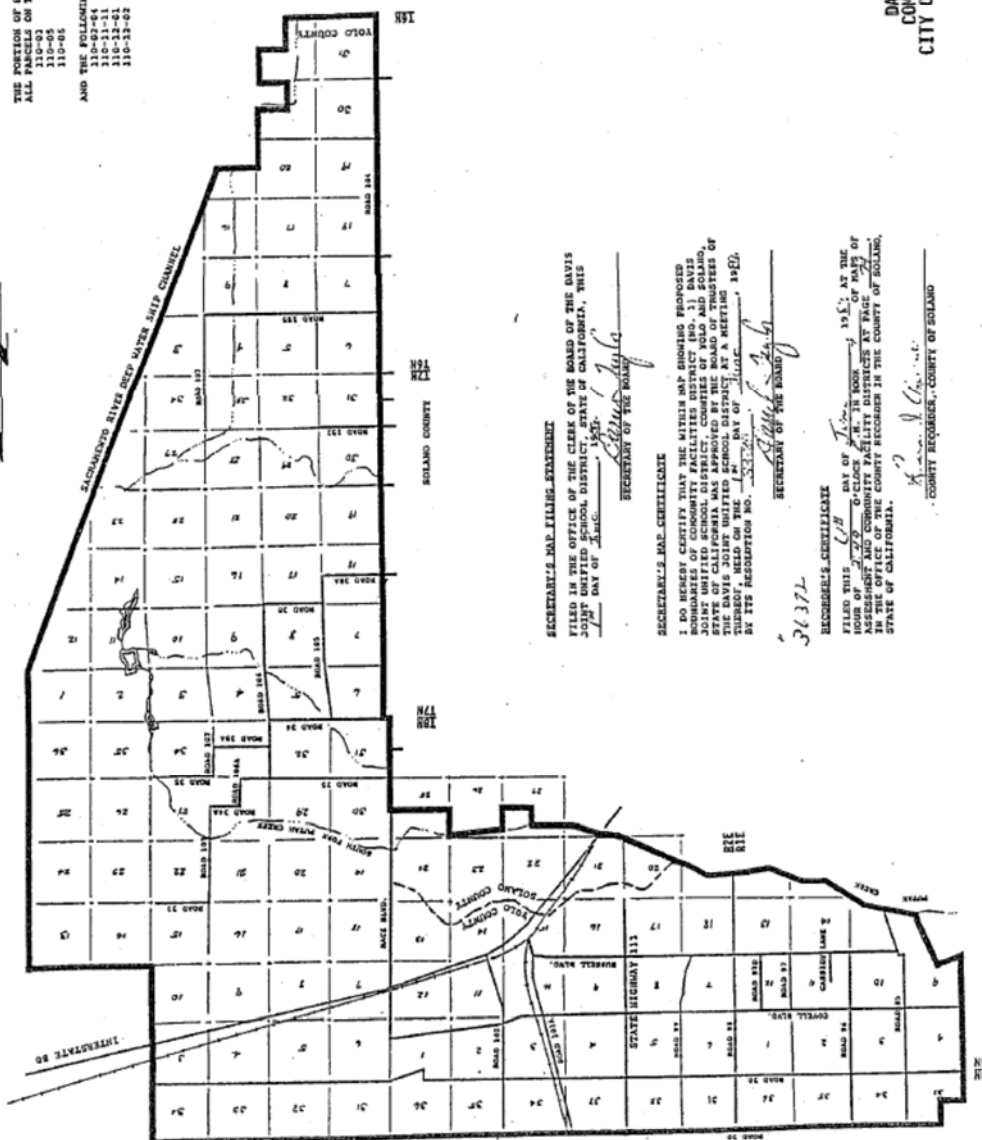
The Special Tax Units were assigned as follows:

- A. Single Family Homes: a single-family detached house on a single parcel was assigned 1 STU.
- B. Mobile Homes: a mobile home on a separate parcel, or in a mobile home park or in a mobile home subdivision was assigned 0.5 STU.
- C. Multi-Family Units: all multi-family units, including duplex and halfplex, were assigned 0.5 STU per unit.
- D. Commercial Property: property zoned for commercial use was assigned 1 STU per each 1/4 acre or portion thereof.
- E. Industrial Property: property zoned for industrial use was assigned 1 STU per 1/4 acre or portion thereof.
- F. Agricultural: property zoned for agricultural use was assigned 1 STU for each residence. Agricultural property with no residences was not taxed.
- G. Vacant, undeveloped, non-agricultural property was assigned 1 STU per parcel.
- H. Senior Citizen Reductions: a property owner over the age of 65 obtains a 50% reduction in the special tax for his primary residence by filing an application between May 15 and June 15.
- I. Low Income Housing Exemption: A qualifying low income/rent housing project shall obtain an exemption from the special tax by filing an application between May 15 and June 15.
- J. Any governmentally owned parcels are listed with zero Special Tax.

The full text of the Rate and Method of Apportionment follows.

DISTRICT BOUNDARY DIAGRAM

The boundaries of CFD #1 are shown on the following diagram.



SECRETARY'S MAP FILING STATEMENT
FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF THE DAVIS
COUNT UNIFIED SCHOOL DISTRICT, STATE OF CALIFORNIA, THIS
1st DAY OF DEC. 1957.

SECRETARY OF THE BOARD

SECRETARY'S MAP CERTIFICATE

I DO HEREBY CERTIFY THAT THE WITHIN MAP SHOWING FENCED BOUNDARIES OF CONGOMITY FACILITIES DISTRICT, CALIFORNIA, JOINT BY CALIFORNIA WAS APPROVED BY THE BOARD OF TRUSTEES OF THE DAVIS JOINT UNITED SCHOOL DISTRICT AT A MEETING THEREOF, HELD ON THE 1ST DAY OF March, 1961.

7-11-49
SECRETARY OF THE BOARD

DAVIS JOINT UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT (NO. 1)
CITY OF DAVIS, COUNTIES OF YOLO AND SOLANO,
STATE OF CALIFORNIA

APPENDIX A – SPECIAL TAX ROLL, FY 2015-16

The tax roll listing the fiscal year 2015-16 Special Tax for all Assessor's Parcels of land within the boundaries of the Community Facilities District Number 1 (CFD #1) of the Davis Joint Unified School District has been filed with the District and is included herein by reference. The tax attributed to each parcel was computed in accordance with the Rate and Method of Apportionment of Special Tax included in the Section of this Report titled RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.

APPENDIX B – NOTICE OF SPECIAL TAX LIEN

The Notice of Special Tax Lien for the Community Facilities District No. 1 is presented on the following page.

NOTICE OF SPECIAL TAX

**COMMUNITY FACILITIES DISTRICT NO. 1
DAVIS JOINT UNIFIED SCHOOL DISTRICT
COUNTY OF YOLO, CALIFORNIA**

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

**This information is Valid
Through June 30, 2016.**

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR PURCHASING THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ THIS NOTICE.

(1) This property is subject to a special tax, which is in addition to the regular property taxes and any other charges and benefit assessments on the parcel. This special tax may not be imposed on all parcels within the city or county where the property is located. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE PUBLIC FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The maximum annual special tax which may be levied against this parcel to pay for public facilities during the 2015-16 tax year is as follows: Single Family Dwellings, \$207.72; Mobile Dwellings, \$103.86; Multi-Family Dwellings, \$103.86; Commercial / Industrial, \$207.72 per each 1/4 acre; Agriculturally Zoned, \$207.72 per residence; Agriculturally Zoned which contains no residence will not be taxed; and Vacant, Undeveloped, Non-Agricultural, \$207.72 per parcel.

The amount can increase up to a maximum of 4.63% annually, compounded. This special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid.

(3) The authorized facilities which are being paid for by the special taxes, and by the money received from the sale of bonds which are being repaid by the special taxes, to the extent that financing is available, are:

- 1) The repair, rehabilitation, modification and expansion of existing elementary and secondary school facilities;
- 2) The acquisition of sites and the construction of elementary and secondary school facilities with related appurtenances; and support structures; and
- 3) The acquisition of related equipment; all necessary to meet student population demands.

These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

In addition, the special taxes may be used to pay for costs of the following services: None

YOU MAY OBTAIN A COPY OF THE RESOLUTION WHICH AUTHORIZED CREATION OF THE COMMUNITY FACILITIES DISTRICT, AND WHICH SPECIFIED MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE DAVIS JOINT UNIFIED SCHOOL DISTRICT BY CALLING 757-5300 ext. 122. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE ESTIMATED REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

DATE _____
