MELLO-ROOS: PERPETUAL DEBT ACCUMULATION AND TAX ASSESSMENT OBLIGATION

GRAND JURY 2014-2015

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EXECUTIVE SUMMARY

Taxation without representation: Is there adequate oversight and auditing of Community Facility Districts within the County of Orange to protect the interests of the tax paying public?

A Community Facility District (CFD) is a legally constituted governmental entity for the purpose of financing public facilities and public services and collecting special property taxes, within specified CFD boundaries. To create a CFD, a two-thirds vote of property owners within the proposed district is required. The vote is conducted by the county registrar of voters. In a new subdivision, the developer may be the only owner at the time of the vote creating the CFD. The developer has a financial interest and profits from creation of the CFD. The vast majority of the CFDs in Orange County are created and debt incurred before any of the ultimate taxpayers acquire their property. There is little oversight of CFD's revenue, expenditures, and debt management by the public.

CFD funding and usage is not readily transparent and therefore not generally understood and its consequences are not appreciated by the general public. The problem is compounded by a lack of information available to the public on how CFD funds are being used. Many of the Orange County CFD formation documents and reports use general, vague language that does not meet the requirements and intent of the Mello-Roos Community Facilities Act of 1982.

BACKGROUND

Property taxes are collected by each county in order to provide for the common needs of the county, cities, special districts and school districts. Property taxes are ad valorem, based on the assessed real property value. These taxes can be used for infrastructure, public works, public services, and schools. In new housing developments, cities and special districts routinely required development contractors to construct the infrastructure including roads, sewers, parks, and schools and the costs were included in the price of homes.

Proposition 13

In the 1970s, California was faced with a period of severe inflation, and this was especially felt in the housing market. Property taxes averaged almost 3% of the market value with no statutory limits on tax rates or property assessments. These factors led to a grass roots revolt, resulting in an initiative that was placed on the State ballot—Proposition 13.

Proposition 13 was overwhelmingly passed by California voters in 1978 (62% of votes cast). This proposition rolled property taxes back to 1975 levels and restricted ad valorem (according to value) annual increases to an inflation factor not to exceed 2% each year. The new law also disallowed reassessment of a new base year except for (a) change in ownership or (b) completion of new construction.

In addition to decreasing property taxes, Proposition 13 also required a 2/3 majority in both State houses for future increases in other taxes, including income tax rates.

Community Facilities Districts (CFDs)

The passage of Prop 13 severely restricted local governments' ability to raise property taxes. There was a concerted effort to discover a way to fund public improvements and still remain in compliance with Proposition 13.

The Mello-Roos Community Facilities Act of 1982 (the Act), was passed by the State legislature to provide local government agencies an alternative method of obtaining community property tax funding to pay for local government public facilities and services (California Government Code, 1982, section 53312.5).

The Act allows any county, city, special district, school district, or joint powers authority to establish a Communities Facilities District (CFD), which permits financing of public improvements and services. CFDs are normally established in undeveloped areas and are used to construct infrastructure in new housing developments.

Forming a CFD

A CFD is a legally constituted government entity for the purpose of financing public facilities and public services and collecting special property taxes within specified CFD boundaries (California Government Code, 1982, § 53317). The first step in forming a CFD is to file a petition in support of the CFD signed by not less than 10% of registered voters residing in the proposed district. If the governing body agrees, an election is held requiring an affirmative vote by 2/3 of the property owners residing within the district at the time of the vote. The vote is conducted by the County Registrar of voters. In many cases, the only resident of the district is the owner/ developer (California Government Code, 1982, § 53319)

Once a CFD is approved, a special tax (lien) is placed against each property in the district and is paid on an annual basis. CFD bonds can be sold by the CFD to provide needed funding as specified in the Resolution of Formation document. Special taxes (CFD-T) are charged annually on the occupants' property tax bill to support the designated purpose of the CFD.

Land developers saw the opportunity to use CFD funding methodology to relieve them of the expense of building the public facilities (primarily infrastructure improvements) for their developments. It also allows them to reduce prices on homes, as they do not have to include the cost of the infrastructure in the price of homes. Additionally, cities and school districts saw the opportunity to use CFDs to obtain an additional funding source for the infrastructure and new schools in newly developed areas.

The special property tax paid by the homeowner is based on the number of subdivided parcels in the CFD. The tax is a special property tax, not an assessment, as there is no requirement that the tax be apportioned based on benefit to any property owner (California Government Code, 1982, section 53325.3). In addition, the public facilities need not be physically located within the CFD district, and there is no requirement that funds be used in the district paying the special tax (California Government Code, 1982, section 53313.5).

It is assumed that when a house is purchased and the CFD is disclosed, the purchaser agrees to the tax; this is referred to as “vote by purchase” (California, 1982, § 536313.5[2]). Special property taxes are listed on the homeowner’s property tax bill, usually by CFD-T number. They are collected by the County of Orange Tax Collector and are subject to all laws affecting general taxes.

A CFD does not have a “sunset” date unless one is specified in forming documents by the local entity creating the CFD (California Government Code, 1982, § 53338.5). The maximum term of bonds issued under a CFD shall not exceed 40 years. However, this applies only to the term of the bond. It does not place any restriction on the term of the CFD (§ 53351.e). The local legislative body creating the CFD may, after a public hearing, eliminate a type of facility or service but may not finance any facility or service not specified in resolution of formation (§ 53330.7). The creating legislative body is permitted to terminate a CFD; however, a CFD may not be terminated while a bond is still active (§ 53338.5).

REASON FOR THE STUDY

It is important that the property owners in Orange County be aware of the consequences of the Mello-Roos Act used by the local government agencies that govern them. Many homeowners, especially in south Orange County, are in a CFD, but the Grand Jury suspected that few understood how and why they were formed, how long they lasted, and how the funds were spent. The purpose of this study is to shed light on these specific issues.

METHODOLOGY

The Grand Jury utilized a variety of methods to collect information during the course of this investigation. The Act and its amendments were scrutinized, with special attention paid to the specificity of project descriptions, the length or “life” of the CFD, the duration of the CFD-issued bonded debt, and the use of the CFD bond funds for public services. Constituents of local agencies that created CFDs provided documents, and some of those agencies were interviewed for this report. The Grand Jury sent a detailed questionnaire to each of the 32 local agencies that have established nearly 100 CFDs Proposition 13 was also analyzed to ascertain the limitations imposed on additional property taxation without a vote of the local constituents. In addition, the California Mello-Roos Community Facilities Districts Yearly Fiscal Status Reports were examined.

INVESTIGATION AND ANALYSIS

Mello-Roos/CFD legislation enabled local governments to obtain funding for public facilities and public services without a plebiscite (public vote). Mello-Roos is a special property tax on homeowners in a community, to be used for the repayment of bonds used to fund the infrastructure (roads, storm drains, sewers, waterlines, curbs, gutters, sidewalks, schools, parks, etc.) of the community, or to provide services such as police and fire. The special property tax is in addition to the ad valorem property tax and is based on acreage (typically, single-family lots). By statute, a CFD is also entitled to recover legal formation expenses as well as administrative costs.

Creation of CFDs

Prior to the passage of the Act, developers were often required to build the infrastructure and recover their expenditure by including the cost in the purchase price of homes. With the creation of CFDs, home developers got early funding for construction of infrastructure through CFD debt funding. This debt obligation was passed to the new homeowner to keep home prices at a lower level.

The Act allows local governments to create a CFD in a single parcel of land, typically a subdivision of single-family homes where there is a single developer/property owner. By statute, a CFD is established when 2/3s of the property owners vote for it. Since the developer is often the only property owner, the CFD is easily created. Not only are developers relieved of the cost of building the infrastructure, they may even profit from building the infrastructure as well.

As individual residential lots are sold, the new property owner takes on the tax burden created by the CFD bonds. The special tax is not an ad valorem tax; it is based on property plot size, in accordance to a predetermined formula. As an example, if a new CFD subdivision contains 1,000 single-family lots, a new property owner will pay 1/1000th of the CFD bond debt service and/or other tax fees specified in Resolution of Formation as a special property tax.

New homeowners can also be exposed to multiple CFD special taxes. New home developments often require the construction of schools, so an additional CFD might be formed which would result in an additional special property tax. Therefore, a new homeowner could be paying at least three annual property tax amounts: the ad valorem and two CFD-Ts. These special property taxes are listed on the homeowner's property tax bill, usually by CFD-T number.

CFDs and Proposition 13

Mello-Roos taxes provide an alternative funding source that is not subject to the strictures of Proposition 13. These restrictions include the requirement that 2/3 of the voters of a community must approve any proposed raise in ad valorem property taxes. In addition, Proposition 13 ad valorem taxes are subject to a cap, by statute; CFDs do not have a required special tax cap. It should also be noted that the controlling entity, such as a city or school district, still get their share of Proposition 13 taxes.

Ad valorem property taxes are deductible from federal and state income taxes. CFD-Ts may or may not be deductible. According to the Internal Revenue Service and the California Franchise Tax Board, the burden falls on the property owner/tax payer to establish a deduction if the CFD-T tax has been levied for the general public welfare.

Not all homes in Orange County are subject to CFD taxes. It is important to note that buying a home in a special tax district is strictly voluntary. Buyers considering moving into a special tax district are encouraged to do due diligence prior to purchase.

CFD Longevity

A CFD does not have an "end date," unless one is specified in its resolution of formation by the establishing authority (California Government Code, 1982, § 53330.7). This means that potentially a CFD may continue in perpetuity. If bonds have been issued by a CFD, special taxes will be charged annually until the bond has been retired. A single bond may not be issued for a period longer than 40 years. However, this applies only to the term of the bond; it does not place any restriction of the term of the CFD (§ 53351.e). After bonds are paid off, a CFD tax may continue to be collected for maintenance of the facilities. In many instances, CFDs can refund bonds to take advantage of lower bond interest rates and then use the difference (spread) between the original interest rate and the new bond interest rate to create revenue to be used for other purposes. This call proviso will reset the 40-year period and potentially the CFD will continue in perpetuity.

The creating legislative organization may, after a public hearing, eliminate a type of facility or service; but it may not finance any facility or service not specified in the resolution of formation. The creating legislative body is permitted to terminate a CFD; however, a CFD may not be terminated while a bond is active. The controlling agency of the CFD clearly does not have any motivation or incentive to terminate a CFD since it would in effect eliminate an entity that is a ready-made organization for future debt obligations. The burden of that motivation remains with the tax paying public who pay the special CFD tax.

CFD Usage

The Mello-Roos Act specifically states that a legislative body may not finance any facility or service not specified in the resolution of formation. The Grand Jury found that CFDs often use vague language in the formation documents, which allows significant latitude as to how the funds will be used. The Grand Jury also found that CFDs do not clearly identify the specific uses or identify facilities to be built. The descriptions often are vague statements such as "public works," "maintenance," and "schools" which are very broad and do not have the detail that is required by the Act (California Government Code, 1982, § 53316.4, 53321, 53325.1(2) & 53330.7).

Accounting and Reporting

The Grand Jury discovered that the State does not require a complete accounting of the use of CFDs. The only information required by the State CDIAC is the original amount of bond funding, bond balance, taxes outstanding to be collected, and the end date of the bonds. Bond payment amount, interest rate, and administration costs are not reported.

Interestingly, the Act does not require that funds collected be used in the district paying the special tax. The Act also states that the public facilities need not be physically located within the CFD district (California Government Code, 1982, § 53313.5).

Oversight

The Mello-Roos Act (California Government Code, 1982, § 53343.1) states that the annual report shall include the following information for the fiscal year:

(a) The amount of special taxes collected for the year.

(b) The amount of other moneys collected for the year.

(c) The amount of monies expended for the year.

(d) A summary of the amount of money 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 § 53340.

  (5) Other administrative and overhead costs.

(e) For moneys 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 of special taxes.

(f) For moneys expended for services, 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 of special taxes.

(g) For moneys 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 Grand Jury found that CFDs in Orange County do not appear to have any oversight committees or audit oversight to ensure the tenets of the Act are being followed. Orange County does not require a complete accounting of the use of CFD funds so that the homeowner can determine if the funds are being properly used. There also is no requirement to publically reveal maintenance or administrative costs.

CFD Transparency

The Grand Jury found that there is a significant lack of transparency regarding CFDs. Information pertaining to a CFD that is provided to the homeowner often does not include the intended purposes of the special tax. Administrative costs and servicing costs of the bond are often not openly revealed.

The homeowner may receive information on a CFD-T by paying a fee to the legislative body (California Government Code, 1982, § 53343.1). The Grand Jury was advised that the fee is substantial, and the information provided by the legislative body is incomplete to the point of not being useful and not meeting the requirements of the law (§ 53343.1). It has been suggested to the Grand Jury that the only way to get good information is for the homeowner to request detailed accounting records (internal financial statements) of the CFD-T under the Freedom of Information Act.

Another relatively unknown fact is that a homeowner may go to the CFD legislative body and pay off the entire special property tax in one transaction. This would perpetually relieve the taxpayer from this burden (California Government Code, 1982, sections 53344 & 53321).

Orange County CFDs

Thirty-two (32) Orange County local public agencies have incurred a total of nearly $2 billion in bonded long-term debt (see Appendix). These 32 agencies have established close to 100 CFDs; Orange County has 23 CFDs of its own. Each of these CFDs has incurred long-term bonded debt. Some of this debt will be paid into the mid-2030s, and beyond. The amount of debt will arguably obligate the CFD taxpayers to pay additional special property taxes, over and above their normal property taxes, far into the future.

An estimated $2 billion in bonded debt has been accumulated by Orange County CFDs. Of that $2 billion, $1.3 billion (65%) has been incurred by the County of Orange and three school districts: Capistrano, Tustin, and Irvine. This total amount does not include a proposed City of Irvine CFD bond amount of $384 million (Five Points Great Park), and a proposed County of Orange CFD bond amount of $110 million (Village of Esencia). If these two CFDs sell bonds in their estimated amounts, the total local agency Mello-Roos/CFD debt in Orange County will be nearly $2.5 billion.

The Act has a provision called “Rights to Accelerated Foreclosure.” It is very important for property owners to pay their tax bill on time, for the CFD has the right, and if bonds are issued, the obligation, to foreclose on a property when special taxes are delinquent for more than 90 days. The costs of collection and penalties can also be imposed on property owners. This provision makes the forfeiture process faster than the five-year waiting period required for ad valorem taxes.

FINDINGS

In accordance with California Penal Code sections 933 and 933.05, the 2014-2015 Grand Jury requires (or, as noted, requests) responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation titled "Community Facilities Districts (Mello-Roos): Perpetual Debt Accumulation and Tax Assessment Obligation," the 2014-2015 Orange County Grand Jury has arrived at three principal findings, as follows:

F.1. There is a lack of transparency to homeowners relative to how CFD funds are being used.

F.2. There does not seem to be appropriate oversight and auditing of CFDs and special tax expenditures within the County of Orange.

F.3. While the assumption is that the CFD debt would be repaid in a finite period of time, there is a mechanism available to controlling entities to extend debt obligations and thereby extend the CFD special tax in perpetuity.

RECOMMENDATIONS

In accordance with California Penal Code sections 933 and 933.05, the 2014-2015 Grand Jury requires (or, as noted, requests) responses from each agency affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation titled "Community Facilities Districts (Mello-Roos): Perpetual Debt Accumulation and Tax Assessment Obligation", the 2014-2015 Orange County Grand Jury makes the following two recommendations:

R.1. Each local agency that established the CFD should create an oversight committee and an audit committee to provide for an independent, transparent view of the manner in which CFD funds are being expended. (F.1, F.2)

R.2. Audit report information, as delineated in California Government Code, 1982 § 53343.1, should be made available to the CFD taxpayers on a website after each fiscal year for each CFD number. (F.1, F.2)

REQUIRED RESPONSES

The California Penal Code § 933 requires the governing body of any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. Such comment shall be made no later than 90 days after the Grand Jury publishes its report (filed with the Clerk of the Court). Additionally, in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such elected official shall comment on the findings and recommendations pertaining to the matters under that elected official's control within 60 days to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code § 933.05, subdivisions (a), (b), and (c), provides as follows, the manner in which such comment(s) are to be made:

(a) As to each Grand Jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

(b) As to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

(c) If a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary /or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code section 933.05 are required for Findings F.1, F.2 and F.3 and for Recommendations R.1 and R.2 from the following organizations:

Orange County Board of Supervisors

The mayors and city councils of the following cities:

City of Anaheim

City of Brea

City of Buena Park

City of Cypress

City of Dana Point

City of Fullerton

City of Hunting Beach

City of Irvine

City of Mission Viejo

City of Orange

City of Placentia

City of San Clemente

City of Seal Beach

City of Tustin

Public Agencies:

Bonita Public Facilities Financing Authority–

A Joint Powers Authority under the Newport Mesa Unified School District and the City of Newport Beach

Brea Olinda Unified School District

Capistrano Unified School District

Fullerton Joint Union High School District

Fullerton School District

Irvine Unified School District

La Habra Redevelopment Agency –

A Redevelopment Agency under the City of La Habra

Laguna Beach Unified School District

Los Alamitos Unified School District

Newport-Mesa Unified School District

Orange Unified School District

Placentia – Yorba Linda Unified School District

Saddleback Unified School District

Tustin Unified School District

REFERENCES

California Government Code (1982). *Mello-Roos Community Facilities Act of 1982*. Sacramento, CA.

APPENDIX: ORANGE COUNTY CFDS LONG TERM DEBT

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
Aliso Viejo	Multiple capital improvements,public works (Glenwood)	2005-01	$34,070,000	$33,945,000
Anaheim	Multiple capital improvements,public works (Platinum Triangle)	06-2	$9,060,000	$8,250,000
	Multiple capital improvements, public works (Platinum Triangle)	08-1	$28,630,000	$27,095,000
	Multiple capital improvements, public works((Sycamore Canyon)	1989-1	$4,220,000	$1,045,000
	Multiple capital improvements, public works((The Highlands)	1989-2	$6,990,000	$1,725,000
	Multiple capital improvements, public works((The Summit)	1989-3	$9,085,000	$1,530,000
Bonita Canyon Public Facilities Financing Authority	K-12 School Facility	98-1	$38,330,000	$37,735,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
Brea	Multiple capital improvements, public works((Fairway Ctr)	1988-1	$2,580,000	$1,900,000
	Multiple capital improvements, public works(Imperial Ctr East)	1990-1	$1,478,000	$158,000
	Multiple capital improvements, public works(Downtown)	1996-1	$3,235,000	$1,765,000
	Multiple capital improvements, public works(Olinda Heights)	1997-1	$6,665,000	$5,165,000
	Multiple capital improvements, public works(Brea Plaza area)	2008-2	$8,145,000	$8,095,000
Brea Olinda Unified School District	K-12 School Facility	95-1	$2,300,000	$2,300,000
	K-12 School Facility (Olinda Height)Refunding	95-1	$6,440,444	$4,995,000
Buena Park	Multiple capital improvements, public works(Mall)	2001-1	$7,655,000	$6,655,000
Capistrano Unified School District	K-12 School Facility (Refunding)	87-1	$71,810,000	$41,025,000
	K-12 School Facility (Refunding)	88-1	$12,755,000	$2,570,000
	K-12 School Facility (Talega)	90-2	$49,675,000	$47,335,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
	K-12 School Facility (Talega)Refunding	90-2	$44,980,000	$40,820,000
	K-12 School Facility (Las Flores)	92-1	$31,360,000	$18,410,000
	K-12 School Facility (Ladera)	98-2	$119,099,491	$107,499,491
	K-12 School Facility (Rancho Madrina Sch. Facs & Cap Imp)	2004-1	$7,085,000	$6,725,000
Cypress	Multiple capital improvements, public works (Sorrento Homes)	1	$9,705,000	$3,785,000
Dana Point	Multiple capital improvements, public works (Headlands Rev Dev.)	2006-1	$8,710,000	$0
	Multiple capital improvements, public works (Headlands Rev Dev)(Refunding)	2006-1	$17,885,000	$17,885,000
Fullerton	Multiple capital improvements, public works (Amerige Heights)	1	$21,375,000	$0
	Multiple capital improvements, public works (Amerige Heights) (Refunding)	1	$19,040,000	$19,040,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
Fullerton Joint Union High School District	K-12 School Facility (District & Buena Park Sch. Facs)	2005-1	$2,050,000	$1,785,000
Fullerton School District	Other, multiple educational use	2000-1	$1,195,000	$960,000
	K-12 School Facility	2001-1	$9,725,000	$7,757,500
	Parks, open space	2001-1	$9,725,000	$3,878,750
Huntington Beach	Multiple capital improvements, public works (Goldenwest/Ellis Area)(Refunding)	1990-1	$2,155,000	$1,145,000
	Multiple capital improvements, public works(Grand Coast Resort)	2000-1	$16,000,000	$13,330,000
	Multiple capital improvements, public works(McDonnell Centre Business PK)	2002-1	$4,900,000	$4,670,000
	Multiple capital improvements, public works(Huntington Ctr Bella Terra)	2003-1	$25,000,000	$21,595,000
Irvine	Multiple capital improvements, public works(Columbus Grove)	2005-2	$24,375,000	$21,540,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
	Multiple capital improvements, public works(Columbus Grove) Refunding	2005-2	$16,975,000	$16,975,000
Irvine Unified School District	K-12School facility (Bond) Refunding	86-1	$96,565,000	$73,685,000
	K-12School facility (S Irvine Communities) Refunding	01-1	$103,475,000	$99,715,000
	Multiple capital improvements, public works(Northwood Master Planned Community)	04-1	$9,000,000	$8,745,000
	Multiple capital improvements, public works (Woodbury Master IA A Planned Community)	04-2	$38,000,000	$35,903,130
	Multiple capital improvements, public works (Woodbury Master IA B Planned Community)	04-2	$23,935,000	$21,610,000
	K-12 School facility (Portola Springs) (Refunding)	06-1	$13,075,000	$6,715,000
	K-12 school facility (Qualified School Construction Bond)	09-1	$25,000,000	$25,000,000
	K-12 school facility (Series A)	09-1	$63,640,000	$63,640,000
	K-12 school facility (Series B)	09-1	$50,000,000	$50,000,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
La Habra Redevelopment Agency	Multiple capital improvements, public works (Marketplace) (Refunding)	1990-1	$3,185,000	$154,000
Laguna Beach Unified School District	K-12 school facility (Refunding)	98-1	$9,970,000	$0
	Multiple capital improvements, public works (Crystal Cove) (Refunding)	98-1	$9,330,000	$9,330,000
Los Alamitos Unified School District	K-12School facility Refunding	90-1	$3,240,000	$0
	K-12School facility Refunding Measure K	90-1	$3,240,000	$0
Mission Viejo	Flood Control, Storm Drainage(LaPaz channel) (Refunding)	92-1	$2,060,000	$1,670,000
Newport-Mesa Unified School District	K-12School facility Refunding	90-1	$20,735,000	$0
	K-12School facility Refunding	90-1	$9,720,000	$9,720,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
Orange	Multiple capital improvements, public works(Serrano Heights Pub Imp) (Series A) Refund	91-2	$35,330,000	$0
	Multiple capital improvements, public works (Serrano Heights Pub Imp) (Series B) Refund	91-2	$2,200,000	$0
	Multiple capital improvements, public works (Serrano Heights Pub Imp) Refund	91-2	$28,810,000	$28,810,000
	Multiple capital improvements, public works (Del Rio)	06-1	$24,975,000	$24,945,000
Orange County	Multiple capital improvements, public works (Rancho Santa Margarita) Refund	86-1	$32,335,000	$11,665,000
	Multiple capital improvements, public works(Rancho Santa Margarita/Saddleback) Refund	86-2	$10,975,000	$598,000
	Bridges and Highways(Rancho Santa Margarita) Refund	86-2	$8,005,000	$1,100,000
	Commercial development Bus Pk (Refunding)	87-1	$762,808	$743,414
	Multiple capital improvements, public works(Portola Hills) Refund	87-2	$24,080,000	$4,530,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
	Multiple capital improvements, public works(Mission Viejo) Refund	87-3	$49,697,035	$10,988,000
	Multiple capital improvements, public works(Foothill Ranch) Refund	87-4	$71,435,333	$25,179,820
	K-12 School facility(Foothill Ranch)	87-4	$10,815,000	$5,865,000
	Multiple capital improvements, public works(Rancho Santa Margarita) Refund	87-5A	$8,863,770	$924,268
	Multiple capital improvements, public works(Rancho Santa Margarita) Refund	87-5B	$27,396,720	$7,639,334
	Multiple capital improvements, public works(Rancho Santa Margarita) Refund	87-5C	$15,221,979	$5,363,907
	Multiple capital improvements, public works(Rancho Santa Margarita) Refund	87-5D	$12,042,509	$4,746,180
	Multiple capital improvements, public works(Rancho Santa Margarita) Refund	87-5E	$12,780,000	$5,385,000
	Multiple capital improvements, public works(Baker Ranch) Refund	87-6	$9,330,000	$1,860,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
	Multiple capital improvements, public works(Los Alisos) Refund	87-7	$17,425,000	$3,475,000
	Street construction and improvement (Coto de Caza) Refunding	87-8	$30,412,976	$10,894,283
	Multiple capital improvements, public works(Los Alisos) Refund	87-9	$4,050,000	$805,000
	Multiple capital improvements, public works(Santa Teresita)	87-9	$2,335,000	$475,000
	Multiple capital improvements, public works(Aliso Viejo) Refund	88-1	$207,845,000	$31,455,000
	Multiple capital improvements, public works(Lomas Laguna) Refund	88-2	$1,775,000	$340,000
	Multiple capital improvements, public works(Lomas Laguna) Refund	99-1	$22,560,000	$19,505,000
	Multiple capital improvements, public works(Ladera Ranch) Refund	2001-1	$28,890,000	$25,130,000
	Multiple capital improvements, public works(Ladera Ranch) Refund	2001-1	$32,565,000	$29,315,000
	Multiple capital improvements, public works(Ladera Ranch)	2002-1	$68,280,000	$64,495,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
	Multiple capital improvements, public works(Ladera Ranch)	2003-1	$57,185,000	$54,825,000
	Multiple capital improvements, public works(Ladera Ranch)	2004-1	$75,645,000	$71,745,000
Orange Unified School District	K-12 school facility (Santiago Hills) Refunding	88-1	$4,625,000	$900,000
	K-12 school facility (Sycamore Canyon) Refunding	89-1	$4,250,000	$740,000
	K-12 school facility Refunding	89-2	$9,095,000	$1,780,000
	K-12 school facility Tremont School & City Facs	2005-1	$654,000	$6,385,000
	K-12 school facility (Del Rio Riverbend) Refunding	2005-2	$5,920,000	$5,785,000
Placentia		89-1		$0
Placentia - Yorba Linda Unified School District	K-12 school facility	1	$5,505,000	$0
	K-12 school facility Refunding	1	$6,730,000	$6,730,000
Saddleback Valley Unified School District	K-12 school facility	88-1	$2,365,000	$1,490,000
	K-12 school facility (Town Center)	88-1	$8,635,000	$5,280,000
	K-12 school facility (Rancho Cielo) Refunding	88-2	$3,525,000	$1,270,000

Community Facilities Districts - Mello Roos	**Governance/Control**	**Name/ CFD Number**	**Original Bond Value**	**Principal Outstanding**
	K-12 school facility (Robinson Ranch) Refunding	89-1	$8,250,000	$3,190,000
	K-12 school facility Refunding	89-2	$15,686,602	$6,731,602
	K-12 school facility (Rancho Trabuco) Refunding	89-2	$3,208,398	$1,890,000
	K-12 school facility Refunding	89-3	$12,213,718	$5,238,718
	K-12 school facility (Rancho Trabuco) Refunding	89-3	$891,282	$525,000
	K-12 school facility (Dove Canyon) Refunding	89-4	$4,465,000	$535,000
	K-12 school facility (Dove Canyon) Refunding	89-4	$970,000	$955,000
San Clemente	Multiple capital improvements, public works Refund	99-1	$5,005,000	$4,850,000
Santa Ana Unified School District	K-12 school facility Central Park(School Facs, Irvine Ranch WD & Orange County Fire Authority)	2004-1	$11,785,000	$11,355,000
Santa Margarita Water District	Water supply, storage, distribution (Talega) Refunding	99-1	$63,480,000	$58,290,000
	Multiple capital improvements, public works(Talega A&B) Refund	99-1	$38,710,000	$37,920,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
Seal Beach	Multiple capital improvements, public works(Heron Point)	2002-01	$3,985,000	$3,610,000
	Multiple capital improvements, public works(Pacific Gateway Business Ctr.)	2005-01	$8,800,000	$8,595,000
Tustin	Flood control, storm drainage (Tustin Legacy/ john Laing Homes)	04-1	$11,415,000	$9,845,000
	Multiple capital improvements, public works (Tustin Legacy/ john Laing Homes)Refunding	04-1	$9,350,000	$9,350,000
	Multiple capital improvements, public works (Legacy & Columbia Villages Zones 1&2)	06-1	$53,570,000	$52,580,000
	Multiple capital improvements, public works (Legacy & Columbia Villages Zones 1&2)	06-1	$1,675,000	$1,600,000
	Multiple capital improvements, public works (Legacy/Retail Center)	07-1	$13,680,000	$13,550,000
Tustin Unified School District	K-12 Schools Facility-(Tustin Ranch)Refunding	88-1	$64,615,000	$47,955,000

Community Facilities Districts - Mello Roos	Governance/Control	Name/ CFD Number	Original Bond Value	Principal Outstanding
	K-12 Schools Facility- Sr Series A Refunding	97-1	$87,697,675	$83,332,675
	K-12 Schools Facility- Sr Series B Refunding	97-1	$14,090,000	$13,220,000
	K-12 Schools Facility- Elementary, Middle, High (Columbus Square)	06-1	$13,560,000	$13,545,000
	K-12 school facility Refunding	07-1	$90,500,000	$90,500,000
Total Districts		**Total CFDs**	**Original Bond Value**	**Principal Outstanding**
32		**119**	**$2,701,562,740**	**$1,909,301,072**

(Grand Jury, 2014-2015)