



# Council Agenda Report

To: Mayor Uhring and the Honorable Members of the City Council

Prepared by: Brandie Ayala, Administrative Analyst

Reviewed by: Robert DuBoux, Public Works Director/City Engineer

Approved by: Steve McClary, City Manager

Date prepared: May 6, 2024 Meeting date: May 28, 2024

Subject: Community Facilities District No. 2006-1 (Carbon Beach Utility Undergrounding) – Levy of Special Tax for Fiscal Year 2024-2025

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**RECOMMENDED ACTION:** Adopt Resolution No. 24-23 of the City Council of the City of Malibu acting in its capacity as the legislative body of Community Facilities District (CFD) No. 2006-1 of the City of Malibu (Carbon Beach Utility Undergrounding) authorizing the levy of a special tax for Fiscal Year (FY) 2024-2025.

**FISCAL IMPACT:** There is no fiscal impact on the General Fund associated with the recommended action. Bonds are a special obligation of the CFD and are payable and secured by a pledge of special taxes levied on the property within the CFD. Neither the faith nor credit of the City is pledged to or responsible for the repayment of the bonds. The City collects an annual administration fee to pay for annual costs of administering the CFD. The proposed total special tax levy for FY 2024-2025 is \$231,507.32. With the exception of Assessor's Parcel 4451-005-036, the proposed levy per parcel is \$5,261.53 as shown in Exhibit A of Attachment 1. Assessor's Parcel 4451-005-036 is the consolidation of Assessor's Parcels 4451-005-022 and 4451-005-023, and therefore the applicable levy is \$10,523.06. The proposed assessments amount is lower than last year's amount of \$5,361.65 due to lower scheduled annual debt service on the bonds in 2025 as compared to 2024, a lower delinquency contingency corresponding to the lower annual debt service, and a lower projected fiscal year end surplus of funds. The special tax levy for CFD No. 2006-1 is to be collected by the County of Los Angeles on the consolidated property tax bills. The County of Los Angeles Auditor-Controller has an assigned account number 203.60 for the collection of special taxes for the CFD.

STRATEGIC PRIORITY: This item is part of the day-to-day operations identified in the Adopted FY 2023-24 Strategic Priority Project List.

DISCUSSION: CFD No. 2006-1 was formed through the adoption of Resolution Nos. 06-54, 06-55, 07-05, and 07-06 based on petitions from property owners and/or registered voters within the CFD. CFD No. 2006-1 was formed to finance the undergrounding of utilities in the Carbon Beach area from about 22108 to 21746 Pacific Coast Highway. Pursuant to said adopted resolutions, a special tax and bond election was held on May 8, 2007, and the City Clerk's office canvassed the results. Measure D was approved 21 to 8 by the registered voters within the CFD, which exceeded the 2/3 majority needed for its passage.

On May 29, 2007, Council, acting as the legislative body of the CFD, adopted Resolution No. 07-24 certifying the election results and directing the recordation of a Notice of Special Tax Lien on the properties within the CFD. Additionally on June 11, 2007, Council adopted Ordinance No. 312, which authorized the levy of the special tax approved by the voters in Measure D to be levied on the property within the CFD for the purposes of paying debt service on bonds issued by the CFD or for paying directly for the costs of the undergrounding facilities and ongoing administrative costs of the CFD.

On November 24, 2008, Council adopted Resolution No. 08-65, authorizing the sale of special tax bonds by the CFD in an amount not to exceed \$5,000,000 to finance construction costs, costs of issuance and a debt service reserve fund. Bonds were sold in December 2008 in the amount of \$4,365,000. The bonds are a special obligation of the CFD and are payable and secured by a pledge of special taxes levied on property within the CFD. Neither the faith nor credit of the City is pledged to or responsible for the repayment of the bonds.

On June 13, 2011, Council adopted Resolution No. 11-25, authorizing a refinancing of the bonds previously authorized by Resolution No. 08-65. The re-issuance and refinancing of the bonds allowed for a lower interest rate and has resulted in a reduced debt service for the remaining bonds. As a result, homeowners within the district realize a savings of several thousand dollars a year.

Each year prior to August 10, for as long as the CFD bonds are outstanding, Council will be presented with a resolution setting the maximum tax rate for such fiscal year and directing the City staff or the City's Special Tax Consultant to convey such information to the County Assessor's Office to be placed on the secured property tax roll. As additional security for the payment of the bonds, the CFD will covenant on behalf of bond owners to conduct judicial foreclosure proceedings against property within the CFD that is delinquent in the payment of special taxes for a specified period and in a specified amount.

The levy of special tax for Fiscal Year 2024-2025 for each property within the CFD is listed in the Annual Administration Report for Fiscal Year 2024-2025, which is included as Attachment 2. The total proposed levy for Fiscal Year 2024-2025 is \$231,507.32 pursuant to the adopted Rate and Method of Apportionment (Resolution No. 06-54) and Ordinance No. 312. Except Assessor's Parcel 4451-005-036, the proposed levy per parcel is \$5,261.53 as shown in Exhibit A of Attachment 1. Assessor's Parcel 4451-005-036 is the consolidation of Assessor's Parcels 4451-005-022 and 4451-005-023, and therefore the proposed levy is \$10,523.06.

ATTACHMENTS:

1. Resolution No. 24-23
2. Annual Administration Report for Fiscal Year 2024-2025

## RESOLUTION NO. 24-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 OF THE CITY OF MALIBU (CARBON BEACH UNDERGROUNDING) AUTHORIZING THE LEVY OF A SPECIAL TAX FOR FISCAL YEAR 2024-2025

The City Council of the City of Malibu does hereby find, order and resolve as follows:

### SECTION 1. Recitals.

- A. On August 14, 2006, the City Council of the City of Malibu (the City Council) adopted Resolution No. 06-54 stating its intention to form Community Facilities District No. 2006-1 of the City of Malibu (Carbon Beach Undergrounding) (“Community Facilities District No. 2006-1”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311 et seq. of the Government Code (the “Act”).
- B. On August 14, 2006, the City Council also adopted Resolution No. 06-55 stating its intention to incur bonded indebtedness in the amount of \$5,000,000 within proposed Community Facilities District No. 2006-1 for the purpose of financing the facilities and incidental expenses described in Resolution No. 06-54 to serve the area within Community Facilities District No. 2006-1.
- C. On January 22, 2007, the City Council adopted Resolution No. 07-05 which established Community Facilities District No. 2006-1, authorized the levy of a special tax within Community Facilities District No. 2006-1 and called an election within Community Facilities District No. 2006-1 on the ballot proposition relating to levying a special tax combined and consolidated with the proposition relating to the incurring of bonded indebtedness.
- D. On January 22, 2007, the City Council also adopted Resolution No. 07-06 which determined the necessity to incur bonded indebtedness in the amount of \$5,000,000 within Community Facilities District No. 2006-1 and called an election within Community Facilities District No. 2006-1 for May 8, 2007, on the proposition of incurring bonded indebtedness combined and consolidated with the proposition of levying a special tax.
- E. On May 8, 2007, an election was held within Community Facilities District No. 2006-1 at which the qualified electors approved by more than a two-thirds vote the proposition of incurring bonded indebtedness of \$5,000,000 and levying a special tax as set forth in Resolution No. 07-05.
- F. On May 29, 2007, the City Council adopted Resolution No. 07-24 which certified the results of the May 8, 2007 election conducted by the City Clerk, which results showed that more than two-thirds of the votes cast were in favor of the proposition to incur bonded indebtedness and levy the special tax.

- G. On June 11, 2007, the City Council adopted Ordinance No. 312 which authorized the levy of the special tax within Community Facilities District No. 2006-1.
- H. This City Council hereby certifies that the Ordinance authorizing the levy of the special taxes within Community Facilities District No. 2006-1 has been duly adopted in accordance with law and is legal and valid.
- I. The Ordinance provides that the City Council is further authorized to determine, by ordinance, or by resolution if permitted by then applicable law, on or before August 10 of each year, the specific special tax to be levied on each parcel of land in Community Facilities District No. 2006-1.
- J. It is now necessary and appropriate that this City Council levy and collect the special taxes for Fiscal Year 2024-2025 for the purpose specified in the Ordinance, by the adoption of a resolution as specified by the Act and the Ordinance.
- K. The special taxes being levied hereunder are at the same rate or at a lower rate than provided by the Ordinance.

SECTION 2. The above recitals are all true and correct.

SECTION 3. In accordance with Section 53340 of the Act and Ordinance No. 312, there is hereby levied upon the parcels within the District which are not otherwise exempt from taxation under the Act or the Ordinance the special taxes for Fiscal Year 2024-2025 (the “Special Taxes”), at the tax rates set forth in Exhibit A hereto and the Special Tax Consultant shall apportion the Special Taxes in the manner specified in Resolution No. 07-05 and the report prepared by the Special Tax Consultant entitled “Annual Administration Report for Fiscal Year 2024-2025” submitted herewith. Such rates do not exceed the maximum rates set forth in the Ordinance. After adoption of this Resolution, but no later than August 10<sup>th</sup>, the Special Tax Consultant shall deliver the certified list of all parcels subject to the special tax levy including the amount of the Special Taxes to be levied on each parcel in Fiscal Year 2024-2025 (the “Certified List”) to the City Manager or their designee and thereafter, but in no event later than August 10<sup>th</sup>, the City Manager or their designee shall cause a certified copy of this Resolution together with the Certified List, to be filed with the County Auditor-Controller. The Certified List may contain tax rates lower than those set forth in Exhibit A if the City Manager determines that such lower rates are adequate to accomplish the purposes of the District in Fiscal Year 2024-2025. The City Manager or their designee and the County Auditor-Controller are hereby authorized to make changes to the Certified List from time to time to correct any error in the amount of the levy on any parcel to make it consistent with the rate and method of apportionment attached to the Ordinance, including, but not limited to, adding any parcels omitted from the Certified List or deleting any parcels included in the Certified List.

SECTION 4. Properties or entities of the state, federal or local governments shall be exempt from the above-referenced and approved Special Taxes only to the extent set forth in the Ordinance and otherwise shall be subject to the Special Taxes consistent with the provisions of Section 53317.3 of the Act in effect as of the date of adoption of this Resolution.

SECTION 5. All of the collections of the Special Taxes shall be used only as provided for in the Act and Resolution No. 07-05. The Special Taxes shall be levied only so long as needed to accomplish the purposes described in Resolution No. 07-05.

SECTION 6. The Special Taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for ad valorem taxes as such procedure may be modified by law or this City Council from time to time.

SECTION 7. As a cumulative remedy, if any amount levied as the Special Taxes for payment of interest or principal on any outstanding bonds of the District (the “Bonds”), together with any penalties and other charges accruing under this Resolution, are not paid when due, the City Council may, not later than four years after the due date of the last installment of principal on the Bonds, order that the same be collected by an action brought in the superior court to foreclose the lien of such Special Taxes.

SECTION 8. The City Manager or their designee is hereby authorized to transmit a certified copy of this Resolution, together with the Certified List, to the County Assessor and/or the Treasurer-Tax Collector, together with other supporting documentation as may be required to place the Special Taxes on the secured property tax roll for Fiscal Year 2024-2025 and for the collection of the Special Taxes in the manner of ad valorem property taxes and to perform all other acts which are required by the Act, the Ordinance, or by law or deemed necessary by the City Manager in order to accomplish the purpose of this Resolution, the Act or Bond covenants.

SECTION 9. This Resolution shall be effective upon its adoption.

SECTION 10. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, and ADOPTED this 28<sup>th</sup> day of May 2024.

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STEVE UHRING Mayor

ATTEST:

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KELSEY PETTIJOHN, City Clerk  
(seal)

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED  
BY THE CITY ATTORNEY'S OFFICE

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TREVOR RUSIN, Interim City Attorney

EXHIBIT A

CITY OF MALIBU  
COMMUNITY FACILITIES DISTRICT NO. 2006-1  
(CARBON BEACH)  
SPECIAL TAX ROLL  
FISCAL YEAR 2024-25

APN	PARCEL TYPE	CONSOLIDATED PARCELS	MAXIMUM SPECIAL TAX	ACTUAL SPECIAL TAX
4451-004-010	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-011	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-012	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-013	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-014	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-015	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-016	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-017	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-018	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-019	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-020	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-021	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-022	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-023	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-024	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-026	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-027	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-004-028	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-007	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-008	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-009	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-010	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-011	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-012	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-013	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-016	ORIGINAL	NA	\$9,548.62	\$5,261.53

CITY OF MALIBU  
COMMUNITY FACILITIES DISTRICT NO. 2006-1  
(CARBON BEACH)  
SPECIAL TAX ROLL  
FISCAL YEAR 2024-25

APN	PARCEL TYPE	CONSOLIDATED PARCELS	MAXIMUM SPECIAL TAX	ACTUAL SPECIAL TAX
4451-005-017	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-018	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-019	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-020	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-021	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-024	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-027	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-028	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-029	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-030	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-031	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-032	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-033	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-034	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-035	ORIGINAL	NA	\$9,548.62	\$5,261.53
4451-005-036	CONSOLIDATED	2	\$19,097.24	\$10,523.06
4451-006-035	ORIGINAL	NA	\$9,548.62	\$5,261.53
TOTAL			\$420,139.28	\$231,507.32