CITY OF MORGAN HILL

2019/20 Annual Report For:

Community Facilities District No. 2014-1 (Fisher Creek)

November 2019

Prepared by:

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helping communities fund tomorrow
nbsgov.com

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1. DISTRICT ANALYSIS

1.1 District

In 2014, the City of Morgan Hill (the "City") formed Community Facilities District No. 2014-1 (Fisher Creek) (the "District") to fund all or a portion of the costs of the maintenance and monitoring required by the San Francisco Bay Regional Water Quality Control Board for the realignment of Fisher Creek. The special tax will be levied as long as necessary to fund the cost of maintenance, monitoring and reporting of the Fisher Creek Realignment project; pay for administrative expenses; pay for any amounts required to establish or replenish capital improvement funds, repair or contingency funds, or reserve funds; and pay for reasonably anticipated delinquent special taxes.

1.2 Levy

The special tax for Fiscal Year 2019/20 was levied on 108 developed residential parcels for a total of $45,696.96.

As defined in the Rate and Method of Apportionment (the "RMA"), residential parcels are levied at the Expected Special Tax which is $423.13 per residential lot for Fiscal Year 2019/20. The Maximum Special Tax per residential parcels for Fiscal Year 2019/20 is $869.45.

The Expected Special Tax and Maximum Special Tax increase annually by 3.0%. Public property, open space and parcels designated as public or utility easements are exempt from the special tax.

1.3 Funds

Annually, a portion of the special tax revenues are used to pay for administrative expenses related to the District and maintain a reserve balance in the event additional funds are needed to cover the replacement cost of capital improvements and services to be maintained by the District.

The June 30, 2019 balance in the Special Tax Fund covers the administrative costs of the District through December 31, 2019 with approximately $102,500 available for maintenance and services associated with the District.

1.4 Special Issues

There are no special tax delinquencies. NBS will continue to monitor the payment status after each installment is due and discuss any necessary delinquency management options with the City.

NBS
Kristin Harvey, Senior Consultant
Greg Davidson, Client Services Director

2. SENATE BILL 165

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act. This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 50075.3 or Section 53411 of the California Government Code that states:

> "The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:
>
> (a) The amount of funds collected and expended.
>
> (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 or Section 53410."

The requirements of the Act apply to the Funds for the following District:

City of Morgan Hill
Community Facilities District No. 2014-1 (Fisher Creek)
Formed September 17, 2014

Purpose of Special Tax

The District was formed to fund all or a portion of the costs of the maintenance and monitoring required by the San Francisco Bay Regional Water Quality Control Board for the realignment of Fisher Creek. The special tax funds the cost of maintenance, monitoring and reporting of the Fisher Creek Realignment project; pay for administrative expenses; pay for any amounts required to establish or replenish capital improvement funds, repair and contingency funds or reserve funds; and pay for reasonable anticipated delinquent special taxes.

Collections & Expenditures

Fund	7/1/2018 Balance	Total Amount Collected (1)	6/30/2019 Balance (2)	Amount Expended (3)	Service Status
Special Tax Fund	$84,940.90	$43,922.74	$112,544.00	$16,319.64	Ongoing

(1) Figure represents the total amount levied for Fiscal Year 2018/19, less County Collection Fees of 1.0% of the total levy amount and delinquencies.
(2) Includes interest earned.
(3) As calculated based on the fund balance history and amount collected.

3. FINANCIAL STATUS

3.1 Special Tax Fund

6/30/19 Balance	Estimated Administrative Expenses (1)	Amount Remaining
$112,544.00	$10,050.00	$102,494.00

(1) Represents six months of estimated administrative expenses.

3.2 Special Tax Spread

Property Classification	FY 2019/20 Total Amount Levied (1)	Maximum Special Tax for FY 2019/20	Percentage of Maximum
Developed Residential (Single Family)	$45,696.96	$93,900.60	48.67%

(1) Parcels were levied at the Fiscal Year 2019/20 Expected Special Tax of $423.13 per residential lot.

3.3 Special Tax Rates

Expected Special Tax for FY 2019/20	Maximum Special Tax for FY 2019/20	Special Tax Levied for FY 2019/20 (1)
$423.13 per parcel	$869.45 per parcel	$423.13 per parcel

(1) Amount levied on tax bills is rounded down by $0.01 for County tax roll purposes.

3.4 Value to Maximum Special Tax Ratio

Total Assessed Value (1)	Maximum Special Tax for FY 2019/20	Value to Maximum Special Tax Ratio
$87,402,675.00	$93,900.60	930.80:1

(1) Total assessed value of all parcels within the District, as of January 1, 2019. Assessed value includes both land and structure values.

3.5 Delinquency Summary

FY 2018/19 Total Amount Levied	FY 2018/19 Delinquencies	FY 2018/19 Delinquency Rate
$44,366.40	$0.00	0.00%

4. APPENDIX A – FINAL BUDGET FOR FISCAL YEAR 2019/20

The following page shows the Final Budget for Fiscal Year 2019/20.

City of Morgan Hill
CFD No. 2014-1 (Fisher Creek)
Final Budget for Fiscal Year 2019/20

Category/Item	FY 2019/20	FY 2018/19	Increase / (Decrease)
District Services Fund	$25,633.47	$25,198.12	$435.35
District Reserve Fund	0.00	0.00	0.00
Admin. Expenses	20,064.57	19,169.36	895.21
Miscellaneous	(1.08)	(1.08)	0.00
Grand Total:	**$45,696.96**	**$44,366.40**	**$1,330.56**
Total Accounts:	**108**	**108**	**0**

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5. APPENDIX B – FINAL BILLING DETAIL REPORT FOR FISCAL YEAR 2019/20

The following pages show the Final Billing Detail Report for Fiscal Year 2019/20.

City of Morgan Hill
CFD No. 2014-1 (Fisher Creek)
Final Billing Detail Report for Fiscal Year 2019/20

Account ID	Property ID	DB	Levy	Other	Total
764-62-001	764-62-001		$423.13	($0.01)	$423.12
764-62-002	764-62-002		423.13	(0.01)	423.12
764-62-003	764-62-003		423.13	(0.01)	423.12
764-62-004	764-62-004		423.13	(0.01)	423.12
764-62-005	764-62-005		423.13	(0.01)	423.12
764-62-006	764-62-006		423.13	(0.01)	423.12
764-62-007	764-62-007		423.13	(0.01)	423.12
764-62-008	764-62-008		423.13	(0.01)	423.12
764-62-009	764-62-009		423.13	(0.01)	423.12
764-62-010	764-62-010		423.13	(0.01)	423.12
764-62-011	764-62-011		423.13	(0.01)	423.12
764-62-012	764-62-012		423.13	(0.01)	423.12
764-62-013	764-62-013		423.13	(0.01)	423.12
764-62-014	764-62-014		423.13	(0.01)	423.12
764-62-015	764-62-015		423.13	(0.01)	423.12
764-62-016	764-62-016		423.13	(0.01)	423.12
764-62-017	764-62-017		423.13	(0.01)	423.12
764-62-018	764-62-018		423.13	(0.01)	423.12
764-62-019	764-62-019		423.13	(0.01)	423.12
764-62-020	764-62-020		423.13	(0.01)	423.12
764-62-021	764-62-021		423.13	(0.01)	423.12
764-62-022	764-62-022		423.13	(0.01)	423.12
764-62-023	764-62-023		423.13	(0.01)	423.12
764-62-024	764-62-024		423.13	(0.01)	423.12
764-62-025	764-62-025		423.13	(0.01)	423.12
764-62-026	764-62-026		423.13	(0.01)	423.12
764-62-027	764-62-027		423.13	(0.01)	423.12
764-62-028	764-62-028		423.13	(0.01)	423.12
764-62-029	764-62-029		423.13	(0.01)	423.12
764-62-030	764-62-030		423.13	(0.01)	423.12
764-62-031	764-62-031		423.13	(0.01)	423.12
764-62-032	764-62-032		423.13	(0.01)	423.12
764-62-033	764-62-033		423.13	(0.01)	423.12
764-62-034	764-62-034		423.13	(0.01)	423.12
764-62-035	764-62-035		423.13	(0.01)	423.12
764-62-036	764-62-036		423.13	(0.01)	423.12
764-62-037	764-62-037		423.13	(0.01)	423.12
764-62-038	764-62-038		423.13	(0.01)	423.12
764-62-039	764-62-039		423.13	(0.01)	423.12
764-62-040	764-62-040		423.13	(0.01)	423.12

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Account ID	Property ID	DB	Levy	Other	Total
764-62-041	764-62-041		423.13	(0.01)	423.12
764-62-042	764-62-042		423.13	(0.01)	423.12
764-62-043	764-62-043		423.13	(0.01)	423.12
764-62-044	764-62-044		423.13	(0.01)	423.12
764-62-045	764-62-045		423.13	(0.01)	423.12
764-62-046	764-62-046		423.13	(0.01)	423.12
764-62-047	764-62-047		423.13	(0.01)	423.12
764-62-048	764-62-048		423.13	(0.01)	423.12
764-62-049	764-62-049		423.13	(0.01)	423.12
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764-62-051	764-62-051		423.13	(0.01)	423.12
764-62-052	764-62-052		423.13	(0.01)	423.12
764-62-053	764-62-053		423.13	(0.01)	423.12
764-62-054	764-62-054		423.13	(0.01)	423.12
764-62-055	764-62-055		423.13	(0.01)	423.12
764-62-056	764-62-056		423.13	(0.01)	423.12
764-62-057	764-62-057		423.13	(0.01)	423.12
764-62-058	764-62-058		423.13	(0.01)	423.12
764-63-001	764-63-001		423.13	(0.01)	423.12
764-63-002	764-63-002		423.13	(0.01)	423.12
764-63-003	764-63-003		423.13	(0.01)	423.12
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108 Accounts			**$45,698.04**	**($1.08)**	**$45,696.96**

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