

JUNE 25, 2024

**Public Hearing:
Proposed Changes to
Community Facilities District
(CFD) 1989-1 (Davis Library) to
be Submitted to Voters on
November 5, 2024**

**Diana Lopez – County Librarian
Kimberly Hood – Chief Asst. County Counsel**



Background: CFD 1989-1

- A CFD created pursuant to the Mello-Roos Community Facilities Act of 1982 (Gov. Code 53311 et seq.) provides a means for financing certain public facilities and services, such as libraries, through incurring bonded indebtedness and levying of special taxes.
- CFD No. 1989-1 was created by the Board of Supervisors in 1989 to levy a special tax to fund library services and facilities in Davis, including repayment of bonds issued to fund improvements to the Mary L. Stephens – Davis Branch library.
- The formation of the CFD in 1989 authorized up to \$4.1 million in bonded indebtedness and the special parcel tax was levied at the rate of \$42 per year for single-family residences with no inflationary adjustment. An increase in the special tax rate was approved by voters in 2007 (Measure P) to \$88 per parcel for SFR and \$44 for MFR parcels and also authorized a 2.0% per year increase to the special tax rate.

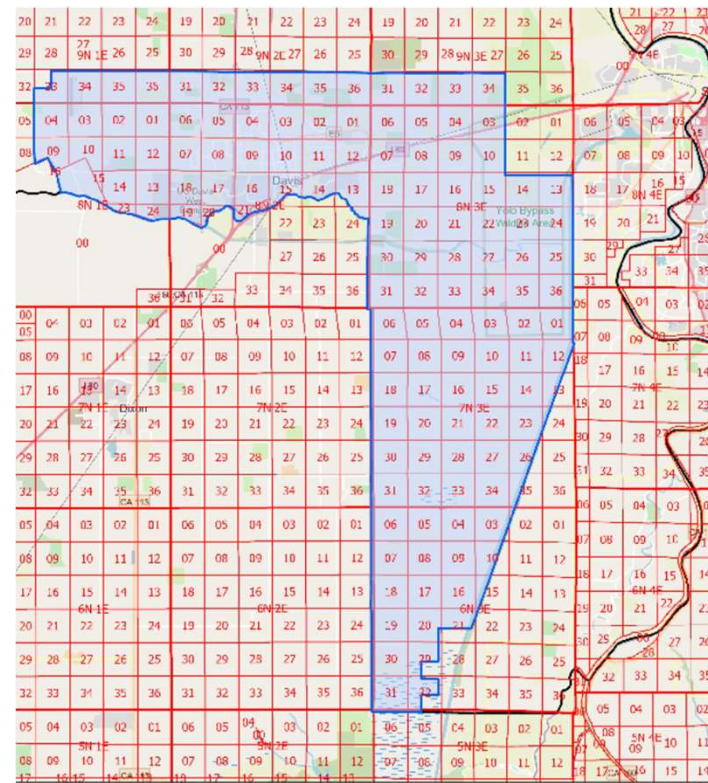


CFD 1989-1 Boundaries

The CFD's boundaries encompass the City of Davis and the Davis Joint Unified School District (excluding Solano County). The CFD's boundaries have not been changed since its formation.

- Boundary map recorded in the office of the County Recorder of Yolo County on May 23, 1989 in Book 3 of Maps of Assessment and Community Facilities Districts at Page 84 (approved by the BOS on May 16, 1989 (Resolution No. 89-80).

No changes to the CFD's boundaries are proposed.



Community Facilities District 1989-1

- PLSS_Township
- PLSS First Division
- County Boundary
- Community Facilities District 1989-1



Special Tax

CFD 1989-1

- The CFD special tax is used to pay for operations of the existing Mary L. Stephens – Davis Branch Library and library services currently offered at Marguerite Montgomery Elementary School, as well as debt service payments for an expansion of the existing library, as approved by voters in 2007.
- The Board sets the special tax rate every year, typically in February, but the tax rate may not increase more than 2% per year.
- FY 2024/25 CFD 1989-1 Special Tax Rate: \$120.80 for single-family residential (SFR) parcels and \$60.39 per residential unit for multi-family residential (MFR) parcels.
- Approximately 16,283 parcels pay the SFR rate, and 10,817 parcels currently pay the MFR rate; approximately 38,000 voters within the CFD.



Need for Special Tax Increase

- Use at Mary L. Stephens – Davis Branch Library is at capacity and its location does not allow for expansion.
- In October 2022, the County received an award from the California State Library for \$8,783,400 toward the construction of a new library facility in Walnut Park in South Davis.
- A second Davis library branch will reduce capacity issues at the Mary L. Stephens Library, expand services to a growing Davis community, and provide access for those who have difficulty traveling to the Mary L. Stephens branch in North Davis. However, having a second library in Davis will generate additional operations and maintenance costs beginning in late 2026, when the new library is projected to open.
- Additionally, the current special tax, including its 2% annual inflation rate, is not projected to keep up with the costs of the Mary L. Stephens – Davis Branch Library, particularly with the rising cost of salaries and benefits for staff, additional collections, maintenance, and remaining bond debt service.



CFD Change Process

Adopt Resolution of Consideration: To increase the special tax rate and make other changes to the CFD, the Board must adopt a Resolution of Consideration and set a public hearing.

- Board adopted the Resolution of Consideration (Resolution 24-70) on May 21, 2024 and set a public hearing for June 25, 2024.
- Notice published on June 12, 2024 in the Davis Enterprise.

Public Hearing:

- Hold a public hearing to hear testimony of all interested persons or taxpayers for or against the proposed CFD changes described in the Resolution of Consideration.
- Determine if there is a majority protest to the proposed CFD changes.
- If no majority protest, adopt resolution to submit measure to voters.

Election: Ballot measure requires 2/3 approval by voters residing within the CFD.

If approved by voters, adopt a Resolution of Change and Ordinance authorizing collection of the increased special tax.



Ballot Measure

CFD 1989-1

- The proposed resolution would submit the following ballot question to voters on the **November 5, 2024** general election:

To operate two Davis branch libraries (Mary L. Stephens and the new Walnut Park Library in South Davis) – including hours of operation, maintenance, collections, and community programs and services – shall the measure increasing the annual special library tax by \$49 per parcel (multifamily parcels would increase by \$24.50 per unit), increasing no more than 2% per year, raising approximately \$1,070,875 annually, and continuing until ended by the Board of Supervisors, be adopted?

- If approved, the maximum annual tax for SFR parcels would be the anticipated Fiscal Year 2025-26 rate of \$123.22 plus a \$49 increase for a total of \$172.22 on FY 25/26 tax bills. The maximum rate for MFR parcels would continue to be half the rate of SFR parcels per residential unit.
- The maximum annual increase would remain capped at 2% per year.



Recommended Actions

1. Hold a public hearing to consider changes to Community Facilities District No. 1989-1 (Davis Branch Library), including increasing the amount of the special tax by \$49 for single family residences (\$24.50 for multifamily), amending the authorized facilities and services to be funded by the CFD, and revising the Rate and Method of Apportionment.
 - Open public hearing, consider public testimony and protests (if any), close public hearing, and confirm protest number.
2. If no majority protest, adopt a resolution to submit a ballot measure to the registered voters within the CFD at the general election on November 5, 2024 to increase the CFD special tax and approve these additional CFD changes.

