



# CFD 93-1 FAQ Sheet – Fiscal Year 2015-2016

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## 1. What do my tax dollars pay for – Facilities (Bonded) improvement area?

- a. **Answer** – Tax dollars collected are used to pay the debt service on bonds issued. These bonds were issued to fund certain public facilities required to build the community you live in. These facilities include but are not limited to the planning, design, permitting and construction of streets, sewer systems, water systems, and storm drains.

## 2. What do my tax dollars pay for – Services improvement area?

- a. **Answer** – Tax dollars collected are used to pay for the maintenance and replacement of items associated with the community you live in. These items include but are not limited to the landscaping in public rights-of-way, street lights, drainage, parks, and street maintenance.

## 3. When do the bond(s) mature?

- a. **See attached Exhibit A – Bond Maturity Date.** You will need to obtain the improvement area (IA) which can be found on your property tax bill.
  - i. Note – some improvement areas have more than one bond outstanding.

## 4. How long will I have to pay this tax?

- a. **Answer** – Varies by improvement area:
- b. A bonded improvement area has a stated termination date in the Rate and Method of Apportionment (RMA)
  - i. **See attached Exhibit A – RMA Maturity Date** for the specific improvement area.
  - ii. Note – the RMA Maturity Date represents the date for which a tax can be levied up to. It does not require a tax to be levied.
- c. A services improvement area lasts as long as the City is providing maintenance services.

## 5. Can my tax ever increase?

- a. **Answer** – Yes, the CFD maximum tax is subject to an annual escalator.
  - i. Facilities (Bonded) improvement areas – Escalate 2% per year but are often levied at less than the maximum.
  - ii. Services improvement areas – Escalate at CPI. FY 2015-2016 was 1.35%

## 6. Can my tax ever decrease?

- a. **Answer** – Yes, each year the taxes are calculated based on a budgeted need. Should that need decrease the tax will be reduced to each of the property owners.

## 7. Why are there more line items on my tax bill this year?

- a. **Answer** – An effort was made to apply best practices for the CFD taxes accounting process. Through this exercise, we separated the Facilities (Bonded)



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and Services portions of each improvement area. This is not a new tax as you will notice the total amount between the two line items is roughly the same as the one line item from last year's tax bill.

**8. Why is there a "Services" line item on my tax bill this year?**

- a. Answer – See #7 above

**9. Why did my tax go up this year?**

- a. We recommend that you contact our Special Tax Consultant directly for more detail. Webb and Associates – (800) 439-6553

**10. Why did my tax go down this year?**

- a. We recommend that you contact our Special Tax Consultant directly for more detail. Webb and Associates – (800) 439-6553

**11. I've lived here several years and this is the first time my property is being taxed.**

- a. We recommend that you contact our Special Tax Consultant directly for more detail. Webb and Associates – (800) 439-6553

**12. I was never told I had to pay a CFD or Mello-Roos tax.**

- a. **Answer** – Your agent or broker should have disclosed this information to you at the time of purchase. It is recommended you contact your escrow or title company for additional information.
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