



# City of Oxnard RiverPark CFD No. 5 Initiative Impact Review

Independent Analysis

Date: June 18, 2024

(Revised)

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# BACKGROUND

## PURPOSE OF THE REPORT

The purpose of this report is to address the Council’s request for a review of impacts on three initiatives put forward to the voters within the RiverPark Community Facilities District (CFD) that will reduce or potentially eliminate the maximum special taxes as laid out in the current Tax Rate Formula for the CFD adopted in 2005. For ease of reference, the longer titles provided by the City Attorney are shortened to the following titles throughout this document:

1. Reduction of the Maximum Special Taxes That Can Be Imposed Within Community Facilities District No. 5 (RiverPark)—**“RiverPark CFD Tax Reduction”**
2. Limitations on Uses of Special Taxes for Community Facilities District No. 5 (RiverPark)—**“RiverPark CFD Special tax Limitations”**
3. Repeal of Community Facilities No. 5 (River Park) Special Taxes —**“RiverPark CFD Repeal”**

When used, these shortened titles encompass the longer titles provided at the beginning of this chapter.

The review process was conducted independently and reflects the analysis of Russ Branson Consulting (RBC). City staff was consulted and interviewed to both understand the City’s current operations and to ensure that the report has no factual errors as it describes the City’s current use of the CFD funds and funding available for general park maintenance. Analysis and conclusions reached on each initiative is the sole opinion of the reviewer. No effort is made to pass judgement on any of the initiatives—good or bad—or to in any way sway future voters to choose a direction to vote on these initiatives. The review is meant to provide an unbiased analysis of the potential, and likely, impact of these initiatives if passed by the voters.

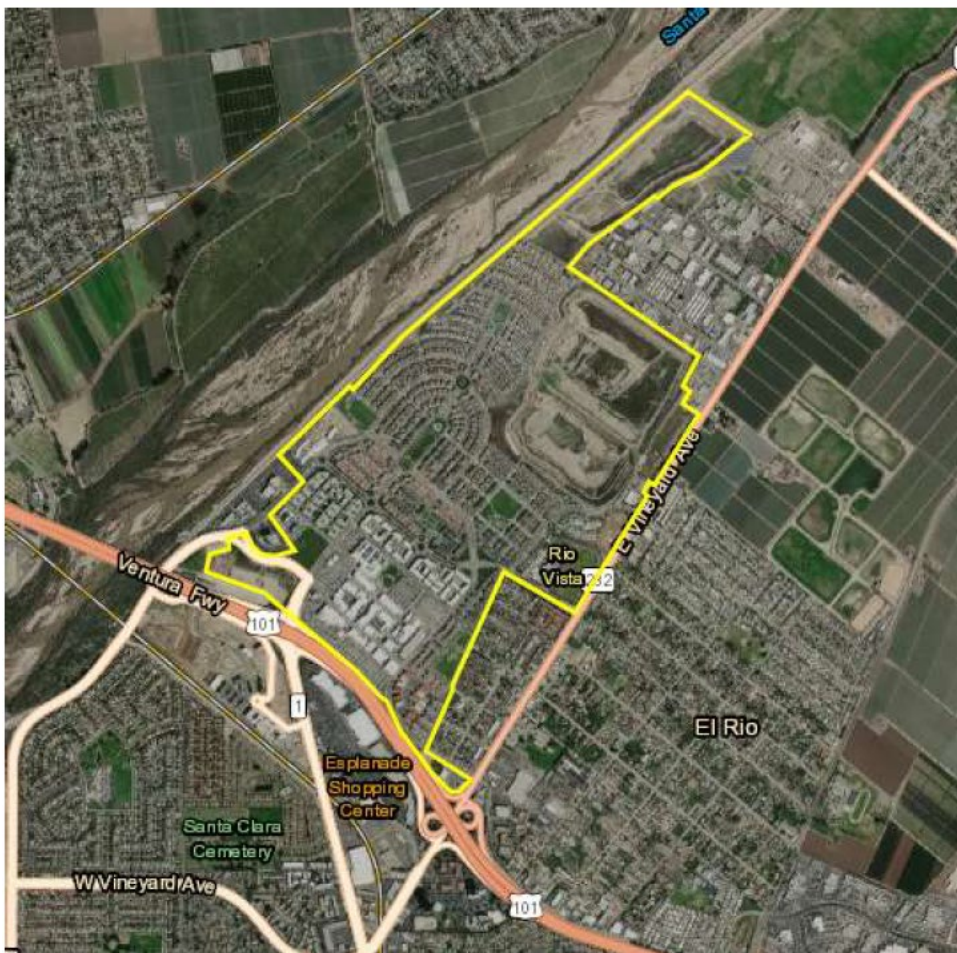
What is not considered in this report is the potential fiscal or staff impact of legal challenges to the initiatives. There is a good deal of vague language, especially in the “RiverPark CFD Special Tax Limitations” initiative, that may be challenged in court

# RIVERPARK CFD

The City of Oxnard (the “City”) established Community Facilities District No. 5 (RiverPark) (the “CFD”) in 2005 to pay for the cost and expense of providing public services to the CFD, including park and landscaping maintenance, storm water maintenance, security services, and other authorized services. The RiverPark CFD was formed as an approval requirement of the RiverPark Specific Plan. The residents and businesses in the CFD enjoy higher-than-normal park and landscaping amenities. Revenue from CFD No. 5 was needed to ensure long-term funding of maintenance without having to compete with other City resources. This was required for approval of the Specific Plan. The CFD has provided consistent maintenance services regardless of the City’s overall financial condition.

## CFD BOUNDARIES

RiverPark CFD No. 5 is north of State Route 101 in the northwestern area of the City. The map below shows the boundaries of CFD No. 5. Only parcels within the boundary are subject to the special tax levy.



## AUTHORIZED SERVICES

The City can only use special taxes collected from CFD No. 5 for authorized services. Authorized services are those specified in the RiverPark CFD formation documents. These services include the following:

- Maintenance of parks, parkways, and open space.
- Recreation program services, library services, maintenance services for elementary and secondary school sites and structures, and the operation and maintenance of museums and cultural facilities.
- Flood and storm protection services.
- Costs incurred in establishing the CFD and creating the levy of the special tax, financial advisor fees and expenses, appraisal and price point study costs, maintenance reserves, and CFD counsel fees and expenses.
- Ongoing administrative fees of the CFD, the City and any trustee, fiscal agent or financial administrator related to the CFD.
- Reimbursement of costs related to the formation of the CFD advanced by the City, any landowner in the CFD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, any landowner in the CFD or any party related to any of the foregoing, for services, fees or other purposes or costs of the CFD.
- Police protection services.
- Fire protection and suppression services.
- Ambulance and paramedic services.
- Local park, recreation, parkway, and open-space facilities.

Services on the list are not necessarily funded each year; however, services not on this list cannot be funded with special tax collections.

## FORMATION OF THE CFD

The CFD was formed prior to development of housing and commercial development in the RiverPark Specific Plan. Formation of the CFD required a two-thirds approval of authorized voters in the CFD at the time of formation. The formation of the CFD sets the boundaries of the CFD, the maximum special tax, and the list of authorized services. Taxes are levied based on the directions provided in the Rate and Method of Special Tax Levy (the “Tax Formula”). This document is central to the CFD and defines what Maximum Special Taxes are each year and how they may be levied on any given property. The CFD operates wholly within the bounds of the CFD formation documents.

State law requires specific disclosure of the CFD at purchase of a home or commercial property. This disclosure ensures that the special tax is taken into account as a buyer considers the overall value of the property being purchased. Property buyers decide if the CFD adds value to the property within the CFD boundaries. The inclusion of the disclosure allows homeowners to make their own assessment of value before purchasing a property.

## SPECIAL TAXES

CFD No. 5’s maximum special taxes were set at the formation of the CFD. The special taxes vary by home size and land use type (e.g., multi-family, non-residential). Additionally, the maximum special

taxes are subject to annual escalation; therefore, change over time. Following is a description of Maximum Special Taxes.

### Maximum Taxes

The maximum special tax was set at the formation of the CFD as show in the table below. The Maximum Special Tax is the most that can be charged to a land use in each of the following designations. The actual tax levy may be, and has generally been, lower than the maximum for CFD No. 5.

### Annual Tax Escalation

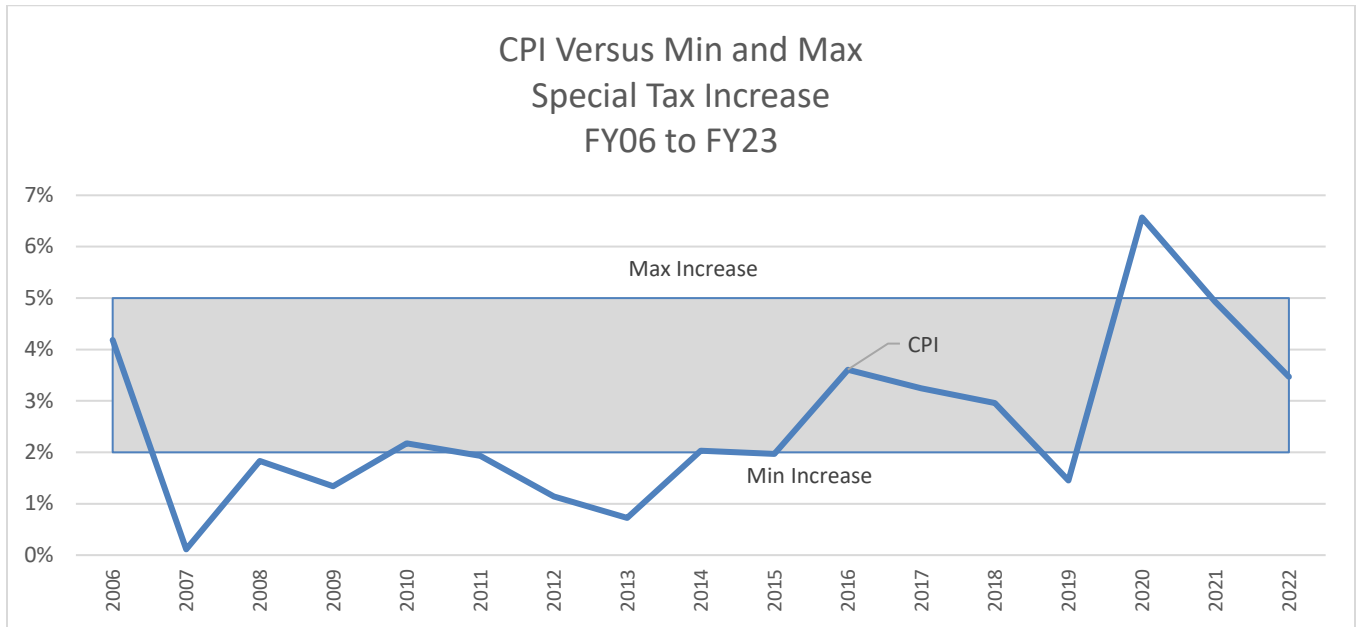
The Maximum Special Tax is subject to an annual escalation based on the Tax Formula. The formula sets a minimum and maximum annual escalation rate based on the Consumer Price Index (CPI). The Max Taxes will always escalate at least two percent per year. If CPI is higher than two percent, the max tax

**Maximum Special Tax for Developed Property  
For Fiscal Year 2005-2006  
Community Facilities District No. 5 (RiverPark)**

Land Use Class	Description	Residential Floor Area	Maximum Special Tax
1	Single Family Attached Property	< 1,400 SF	\$1,266.86 per unit
2	Single Family Attached Property	1,400 – 1,699 SF	\$1,557.21 per unit
3	Single Family Attached Property	1,700 – 1,999 SF	\$1,704.10 per unit
4	Single Family Attached Property	2,000 – 2,199 SF	\$2,000.17 per unit
5	Single Family Attached Property	≥ 2,200 SF	\$2,147.06 per unit
6	Single Family Detached Property	< 1,750 SF	\$1,857.01 per unit
7	Single Family Detached Property	1,750 – 2,099 SF	\$2,104.41 per unit
8	Single Family Detached Property	2,100 – 2,299 SF	\$2,289.27 per unit
9	Single Family Detached Property	2,300 – 2,799 SF	\$2,641.11 per unit
10	Single Family Detached Property	≥ 2,800 SF	\$3,014.65 per unit
11	Affordable Units	NA	\$461.23 per unit
12	High Density Property	NA	\$459.06 per unit
13	Non-Residential Property	NA	\$0.1347 per square foot of Non-Residential Floor Area

Source: FY23-24 Annual Report for CFD No. 5

will escalate by the CPI until the CPI exceeds five percent, at which point the CFD is capped at five percent. The graph below shows the interplay between CPI and Max Tax escalation for CFD No. 5 since inception.



The CFD escalation is always in the grey band. CPI was low between 2007 and 2014, and the Max Tax increased at 2 percent year. In 2021, when the CPI was greater than 6.5 percent, the Max Tax escalation was five percent.

**Riverpark CFD No. 5  
Growth in Max Special Taxes**

Land Use	Tax Per:	FY06 Max Tax	FY24 Max Tax	FY24 Special Tax
<b>SF Attached</b>				
<1,400 sf	unit	\$1,266.86	\$2,099.13	\$1,051.62
1,400 - 1,699 sf	unit	\$1,557.21	\$2,580.22	\$1,292.64
1,700 - 1,999 sf	unit	\$1,704.10	\$2,823.61	\$1,414.58
2,000 - 2,199 sf	unit	\$2,000.17	\$3,314.19	\$1,660.38
> 2,200 sf	unit	\$2,147.06	\$3,557.58	\$1,782.28
<b>SF Detached</b>				
< 1,750 sf	unit	\$1,857.01	\$3,076.98	\$1,541.52
1,750 - 2,099 sf	unit	\$2,104.41	\$3,486.91	\$1,746.88
2,100 - -2,299 sf	unit	\$2,289.27	\$3,793.21	\$1,900.34
2,300 - 2,799 sf	unit	\$2,641.11	\$4,376.20	\$2,192.40
<b>Affordable units</b>	unit	\$461.23	\$764.23	\$382.86
<b>High Density</b>	unit	\$459.06	\$760.64	\$381.07
<b>Non-Residential</b>	sf floor area	\$0.1347	\$0.2232	\$0.1052

Source: FY23-24 Annual Report for CFD No. 5



The table below shows the escalated Maximum Special Taxes in FY24. This table also provides the number of parcels and total special tax levied by parcel in FY25, and total collection for the fiscal year.

### Special Tax Levy

The annual special tax levy is based expected annual costs for the coming year and then spread *pro rata* to all land uses in the CFD. The table below shows the FY24 Maximum Special Tax, applied tax rate, and total special taxes levied by property type.

Land Use Class	Description	Residential Floor Area	Parcel Count	FY 2023/24 Maximum Tax Rate	FY 2023/24 Applied Tax Rate	Total FY 2023/24 Special Tax Levy
1	SFR Attached	< 1,400	212	\$2,099.13	\$1,051.62	\$222,943.44
2	SFR Attached	1,400 - 1,699	344	2,580.22	1,292.64	444,668.16
3	SFR Attached	1,700 – 1,999	237	2,823.61	1,414.58	335,255.46
4	SFR Attached	2,000 – 2,199	137	3,314.19	1,660.36	227,469.32
5	SFR Attached	> or = 2,200	46	3,557.58	1,782.28	81,984.88
6	SFR Detached	< 1,750	107	3,076.98	1,541.52	164,942.64
7	SFR Detached	1,750 – 2,099	275	3,486.91	1,746.88	480,392.00
8	SFR Detached	2,100 – 2,299	76	3,793.21	1,900.34	144,425.84
9	SFR Detached	2,300 – 2,799	170	4,376.20	2,192.40	372,708.00
11	Affordable Units	N/A	249	764.23	382.86	95,332.14
12	High Density	N/A	9	760.64	381.07	452,712.06
13	Non-Residential	N/A	16	0.22	0.11	133,537.76
Mixed Use	Varies	Unit/Floor Area	20	Varies	Varies	109,326.62
<b>Totals:</b>			<b>1,898</b>			<b>\$3,265,698.32</b>

The total tax levied is impacted not only by expected costs for the year but also by funds that were previously collected. For FY24, a levy credit of \$721,765 reduced the special tax levy for this year. Future credits are unlikely, as the City has been reducing excess tax collections through the credits for the past few years.

**CFD Expenses Used to Set  
FY24 Special Tax Rates**

Description	Amount
Maintenance Services	\$3,571,669.00
Administrative Fees/Expenses <sup>(1)</sup>	415,794.32
<b>Total Budget</b>	<b>\$3,987,463.32</b>
Levy Credit <sup>(2)</sup>	(721,765.00)
<b>Total Special Tax Levy Amount:</b>	<b>\$3,265,698.32</b>
Levied Parcel Count	1,898

- (1) Includes County collection fees and installment rounding for tax roll purposes.
- (2) Levy credits are applied by the City based on surplus funds from the prior year.

**DRAFT FY25 CFD BUDGET**

The draft FY25 budget for RiverPark CFD No. 5 is \$4.3 Million. This is an 8.7% increase in the maintenance expenses of the CFD over FY24 (excluding the levy credit). A large part of that increase is due to a community request to increase police patrol using overtime hours.

**The current estimate is that the City will need to collect the full \$4.3 million in FY25 to perform all CFD No. 5 maintenance and services.**

**Riverpark CFD No. 5  
FY25 Budgeted Expenses**

Category	FY25 Expense
Labor	\$1,186,143
Professional Services	\$2,082,000
Park Patrol	\$312,000
Utilities	\$532,000
Miscellaneous	\$32,800
City Charges	\$89,347
Equipment & Supplies	\$101,000
<b>Total</b>	<b>\$4,335,290</b>

# RIVERPARK CFD NO. 5 & CITY FINANCES

The question at the heart of this analysis, is “Can the City afford to absorb park and landscape maintenance costs paid for by the RiverPark CFD. The ability to absorb the loss of other CFD or assessment districts needs also be considered, as additional ballot measures are likely if one of the proposed initiatives passes.

## PARK AND OPEN SPACE FUNDING

The City uses several sources of funding to maintain its system of parks and landscaping. Just over half (55%) of funding comes from the City’s General Fund. Revenues for the general fund are primarily from taxes (87% of revenue). The primary sources are: sales tax (55.4% of taxes), property tax (35.5% of taxes), all other taxes (9.1%). Who pays, and how much is paid, is a function of a number of different factors:

- When a property is purchased, and for how much – based on rules of Proposition 13
- The amount of taxable purchases made in Oxnard vs. outside of the City

Additional site-specific funding is provided through Landscape Maintenance Districts and Mello-Roos Community Facilities Districts. The table below shows the funding from each of these funding categories for FY24 and FY25.

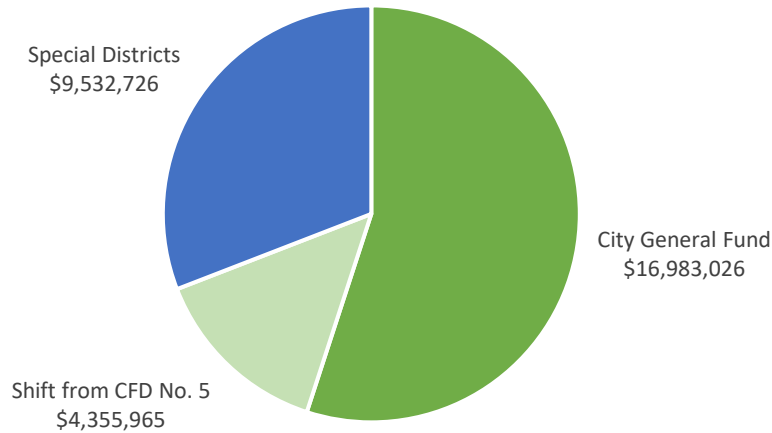
**Parks and Landscape Funding by Source**

	FY24	FY25	% of FY25 Total
City General Fund	\$16,684,436	\$16,983,026	55.0%
Special Maintenance Districts	\$3,379,278	\$6,277,408	20.3%
Other CFDs	\$2,076,685	\$3,255,318	10.5%
CFD No. 5	\$3,200,000	\$4,355,965	14.1%
<b>Total Parks &amp; Landscape</b>	<b>\$25,340,399</b>	<b>\$30,871,717</b>	<b>100.0%</b>

As shown in the table, the General Fund contribution is increasing slightly in FY25 while the Landscape Maintenance Districts and CFDs are increasing significantly. This is a primary function of using excess revenue from previous years to keep assessments down. These revenues are largely gone; therefore, assessments are rising.

The pie graph on the following page shows this same breakdown splitting out General Fund, special districts, and CFD No. 5. This chart illustrates the important role that CFD No. 5 plays in the overall funding of parks and open space. Additionally, a loss of revenue from CFD No. 5 would need to be either made up by the General Fund or a reduction of maintenance services in the RiverPark neighborhood.

### Parks and Open Space Funding with Elimination of CFD No. 5 Special Tax



#### Service Frequency

In addition to the direct dollar amount funded by each source, the services vary between General Fund parks and those funded by additional assessments or special taxes.

The table on the following page outlines the major maintenance activities and how often they are performed for General Fund versus RiverPark facilities. While some of these activities are similar, additional care and attention to the RiverPark facilities shows up in areas of fertilization, pruning, weed control, graffiti removal, and irrigation inspection. Additionally, it is likely that the existence of the special assessments and taxes allow the City to provide more attention to the City facilities that do not have this additional funding. If CFD revenue declines it would likely reduce maintenance in the General Fund parks if revenue was shifted to help maintain the CFD No. 5 facilities.

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**Comparison of General Fund and RiverPark  
Maintenance Frequency**

<b>Services for Parks</b>	<b>GF Frequency</b>	<b>RP Frequency</b>
Mowing Trimming and Edging Turf	Weekly	Weekly
Turf Aeration	Annually	3x annually
Dethatch	N/A	Annually
Overseeding	As Needed	Bi-Annually
Fertilization - Turf	Annually	Quarterly
Fertilization - Shrubs	As Needed	Monthly
Trash and Debris Pickup	1x per week	Daily
Trash Can Servicing	4x per week	2x per week
Pruning - Shrubds, Groundcover, Vines	Quarterly	Weekly
Weed Control	4x per week	Daily
Pest Control	N/A	As needed
Graffiti Removal	N/A	Daily
Irrigation Inspection/Repairs	N/A	Daily
Tree pruning for streets and walkways	N/A	Monthly
<b>Services for Medians and Parkways</b>	<b>GF Frequency</b>	<b>RP Frequency</b>
Litter and Debris Control	Monthly	
Mowing Trimming and Edging Turf	Monthly	
Weed Control (Landscape and Hardscape)	Bi Annual	Same as above
Pest Control	Monthly	
<b>Services In Riverpark but not GF</b>		
Basin Maintenance	n/a	Quarterly
Multi-Use Trail Maintenance	n/a	Monthly
Dog Park Renovation	n/a	Bi-Annual

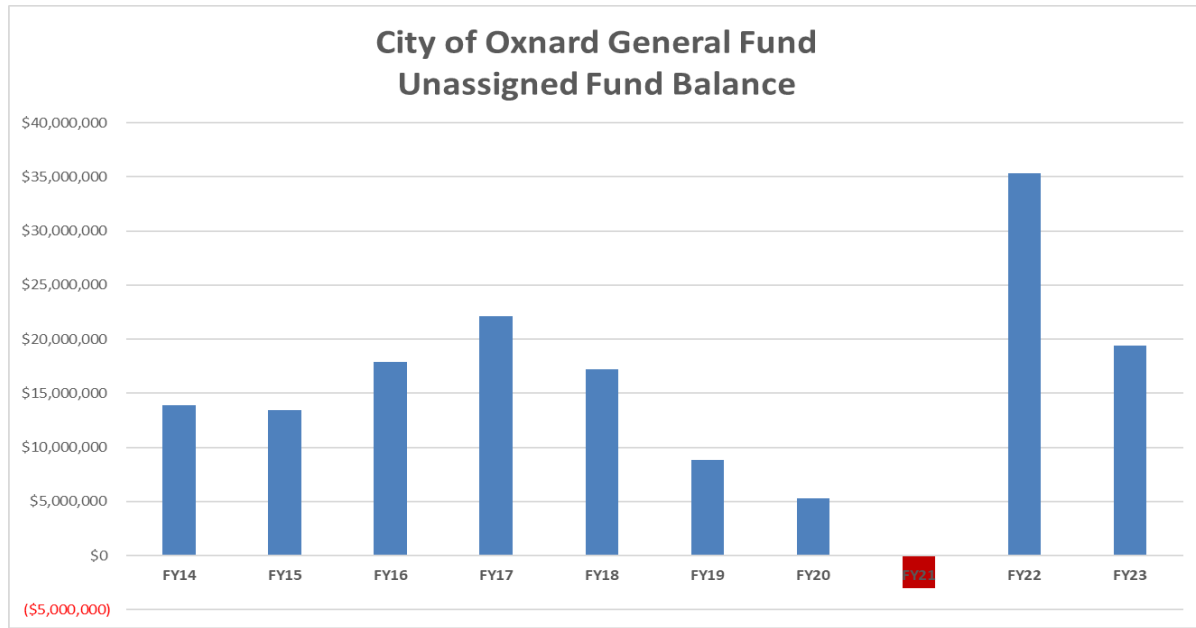
**GENERAL FUND BALANCE**

The primary question that the City will face if CFD No. 5 revenues are reduced or eliminated if revenues from other programs or unassigned fund balance should be redirected to make up the difference, or should services be cut?

Cutting non-park services to fund services that have been funded by the RiverPark development for nearly 20 years will be a difficult decision for the City. This choice would redirect funding from citywide services rather than have the RiverPark landowners face the consequences of their vote. The issue with the unassigned fund balance is: 1) these are one-time revenues that could quickly be consumed by using the funds for ongoing expenses, and 2) the amount of unassigned fund balance is volatile.

As shown in the chart below, the General Fund’s ending unassigned fund balance has shifted widely between FY17 and FY23, with a dip negative in FY21. Committing these funds to

ongoing park and landscape maintenance would not be a wise financial choice. Additionally, if CFD No. 5 voters decide to reduce CFD No. 5 revenues, then it is likely that other maintenance districts and CFDs could follow. This is more likely if the City steps in and makes up the loss of revenue. This is not a sustainable strategy for the City to pursue.

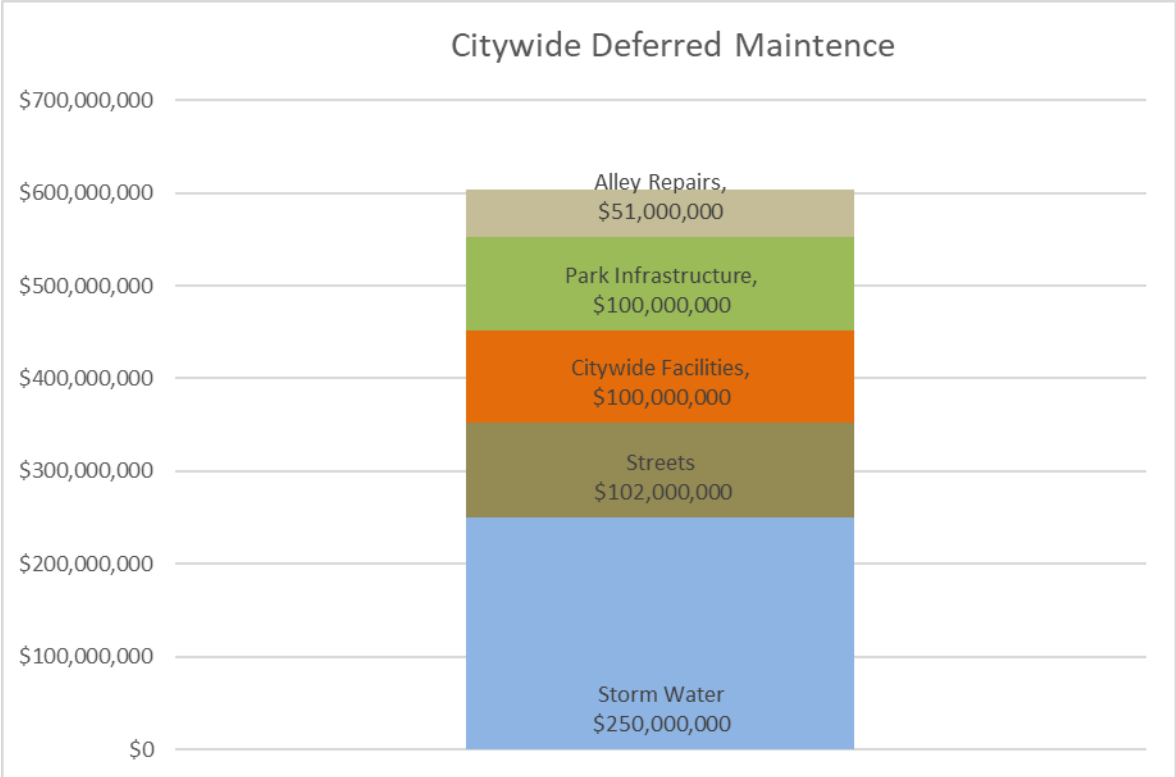


Source: FY23 Annual Comprehensive Financial Report

## COMPETING EXPENSES

Another issue the City faces with or without the loss of CFD No. 5 revenue is a significant backlog of deferred maintenance in the City as well as significant unfunded pension and retiree health liabilities. If the City has money to shift to CFD No. 5 parks and landscaping maintenance, it could just as easily use these funds to address deferred maintenance.

As shown in the graph below, as of FY22 the City had an estimated deferred maintenance need of \$603 million. It is likely to have grown since then. In addition to storm water, streets, alleys, and citywide facilities, the City is facing \$100 million need in current parks. While the loss of revenue in CFD No. 5 will likely increase the amount of citywide deferred maintenance, it does not make sense to supplant funding of long-standing maintenance issues if landowners in RiverPark decide to lower their tax burden.



Source: FY22 Capital Improvement Program Report

# PROPOSED CFD INITIATIVES

The following sections discuss the proposed CFD initiatives and the potential impact that they will have on Special Tax revenue collection and the ability of the City maintain the CFD authorized services at current service levels. Each of the initiatives will be discussed in turn. The initiative language is provided in the appendices. The description of each initiative is from the City Attorney's ballot title and summary.

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# RIVERPARK CFD TAX REDUCTION

*"Under the proposed initiative, the amount of the "max tax" for each Land Use Class would be reduced by 50 percent from the 2005/2006 levels. If the proposed initiative is approved by voters, the new allowed "max tax" for each Land Use Class would be slightly less than the taxes that are currently imposed on each Land Use Class within CFD No. 5. "*

Under this initiative, the CFD’s maximum special tax would be cut by half from the current escalated level. This would leave most of the special tax revenue in place to provide services, for now, but will likely impact services in the future. While seemingly cost neutral, there will be a significant loss of flexibility in performing CFD services. Broadly, impacts of this measure would include:

- Maximum Special Taxes will be reduced to a level just lower than needed to fund the draft FY24 CFD budget
- The FY25 budget is set to increase by \$1 million

## FISCAL IMPACT OF INITIATIVE

On its face, this initiative appears to maintain the status quo for funding ongoing services; however, the cost of the CFD special tax levy has been kept artificially low in FY24 by using levy credits from past years to lower the special tax levy. As shown previously, the cost of maintenance in FY25 is \$4.3 million. This is an increase of over \$1 million that will be need to be collected for FY25 to continue current services throughout CFD No. 5. The table on the next page provides a comparison between the current year’s tax levy - \$3,265,698 - and the maximum special tax that could be levied in FY25 if the initiative passes - \$3,372,084.

Under this initiative, the City could collect roughly the same amount in FY25 as it levied in FY24. However, the lack of a levy credit, the escalation of costs, and the addition of more patrol services would requires FY25 special taxes to be increased in FY25. The proposed initiative will cap the special tax effectively at FY24 levy levels plus any future CPI increase.

**Riverpark CFD No. 5  
FY25 Budgeted Expenses**

Category	FY25 Expense
Labor	\$1,186,143
Professional Services	\$2,082,000
Park Patrol	\$312,000
Utilities	\$532,000
Miscellaneous	\$32,800
City Charges	\$89,347
Equipment & Supplies	\$101,000
<b>Total</b>	<b>\$4,335,290</b>

**Riverpark CFD No. 5 Max. Special Tax  
Under Reduced Max Tax Initiative**

Land Use	FY24 - Current		FY25 - W/Initiative	
	Max Tax	Tax Levy	Max Tax	Max Tax Levy
<b>SF Attached</b>		[1]	<i>Estimated</i>	
<1,400 sf	\$2,099.13	\$222,943	\$1,085.98	\$230,229
1,400 - 1,699 sf	\$2,580.22	\$444,668	\$1,334.88	\$459,199
1,700 - 1,999 sf	\$2,823.61	\$335,255	\$1,460.80	\$346,209
2,000 - 2,199 sf	\$3,314.19	\$227,469	\$1,714.60	\$234,900
> 2,200 sf	\$3,557.58	\$81,985	\$1,840.51	\$84,664
<b>SF Detached</b>				
< 1,750 sf	\$3,076.98	\$164,943	\$1,591.88	\$170,331
1,750 - 2,099 sf	\$3,486.91	\$480,392	\$1,803.95	\$496,087
2,100 - 2,299 sf	\$3,793.21	\$144,426	\$1,962.42	\$149,144
2,300 - 2,799 sf	\$4,376.20	\$372,708	\$2,264.03	\$384,885
<b>Affordable units</b>	\$764.23	\$95,332	\$395.38	\$98,449
<b>High Density</b>	\$760.64	\$452,712	\$393.52	\$465,138
<b>Non-Residential</b>	\$0.2232	\$133,538	\$0.12	\$140,176
<b>Mixed-Uses</b>	Varies	\$109,327	Varies	\$112,673
<b>Total</b>		\$3,265,698		3,372,084

[1] The FY24 Special Tax levy is approximately 50.1% of Max Tax

## IMPACT ON RIVERPARK RESIDENTS AND BUSINESSES

As shown in the table above, the revised Maximum Special Tax under this initiative is limited to the current tax-levy level. This would limit the amount of special tax increase that taxpayers could pay in the future. On the other hand the maintenance costs for FY25 are \$4.3 million. The City will need to decide whether to divert resources to make up this difference or reduced services within the RiverPark CFD area.

The impact to landscaping would be immediate with the limited special taxes. Depending on maintenance and capital needs, this maintenance cost differential is likely to grow wider over time.

## CITY ABILITY TO MAINTAIN SERVICES

As discussed under the *City Park & Landscape Funding* chapter above, the City relies on annual special assessment and taxes for 45% of its annual maintenance. The loss of any of these revenues will require the City to direct other resources to backfill these funding sources. That could mean reducing existing services or delaying investments in existing deferred maintenance. This will leave the City with difficult decisions to make on whether or not to continue existing levels of service in any special funding district that reduces revenues.

If the residents of CFD No. 5 elect to eliminate or substantially reduce the assessments for CFD No. 5, the City may choose not to backfill the lost funding, thus resulting in substantial reductions in the maintenance and services that are currently provided to the residents of CFD No. 5 through the special taxes.

# RIVERPARK CFD SPECIAL TAX LIMITATIONS

*If adopted by voters, the proposed initiative would impose limits on the way in which CFD No. 5 funding is used, including:*

- *Limit CFD funding for maintenance of parks, parkways and open space to beyond that of "standard municipal services" (less revenues derived from rentals of the parks) and limited to paying for third-party services and City-provided-utilities.*
- *Prohibit use of CFD funding to maintain sports fields within RiverPark for youth baseball and soccer and prohibit use of CFD funding to help maintain a gymnasium used for youth sports activities - all located on Rio School District-owned property pursuant to an existing joint use agreement with the school district. (The initiative would prohibit CFD funding for maintenance services for elementary and secondary school sites and structures.)*
- *Restrict CFD funding for flood and storm protection services to beyond "standard municipal services" and limited to paying third party vendors who directly provide the services.*
- *Limit police protection services to one supplemental officer or the full-time equivalent, excluding overtime costs.*
- *Prohibit the use of CFD funding for recreation program services, library services, the operation and maintenance of museums and cultural facilities, and ambulance and paramedic services. None of these services have ever been funded by the CFD.*
- *Limit the annual cost of running the CFD and administering the third-party contracts to \$100,000, with capped CPI adjustments.*
- *Prohibit CFD payments for fire protection and suppression services. These services are currently not funded by the CFD. Per Resolution 15,504, the City cannot impose this obligation without a specific process that includes written notice to all property owners within the CFD and a public hearing before the City Council.*

## FISCAL IMPACT OF INITIATIVE

The fiscal impact of this initiative is difficult to determine given the requirement that CFD revenues can only be used to fund services beyond that of "standard municipal services." There is no ready definition of this term. The table below provides a rough estimate of how much loss in special tax revenue there could be under this initiative. The roughly \$2.3 million loss of revenue will be impacted by how much

funding, if any, the City puts into “standard municipal services” for the CFD parks, landscaping, and storm water. It is not likely to be nothing, but also not likely to replace all lost funding from the CFD.

Additionally, while some of the funding is contingent on City funding, other cost limitations are just that. For example:

- The City would be limited to \$100,000 for the cost of running the CFD. The City estimates this to be \$415,000 in FY24
- Police protection services is limited to the cost of a single FTE, without overtime. Currently, the City uses overtime to provide expanded police patrol services. These services will have to be curtailed
- The loss of sports field maintenance is budgeted at \$300,000 in FY25
- Loss of non-standard storm protection services

**Riverpark CFD No. 5  
Special Tax Limitations**

<i>Ballot Initiative Limitation</i>	<i>FY25 Funding Need</i>	<i>Initiative Funding</i>	<i>Change</i>
<i>Limit CFD funding for maintenance of parks, parkways and open space to beyond that of "standard municipal services"</i>	\$2,668,143	\$1,500,000	<b>(\$1,168,143)</b>
<i>Prohibit use of CFD funding to maintain sports fields within RiverPark for youth baseball and soccer and prohibit use of CFD funding to help maintain a gymnasium used for youth sports activities</i>	\$300,000	\$0	<b>(\$300,000)</b>
<i>Restrict CFD funding for flood and storm protection services to beyond "standard municipal services"</i>	\$300,000	\$0	<b>(\$300,000)</b>
<i>Limit police protection services to one supplemental officer or the full-time equivalent, excluding overtime costs.</i>	\$312,000	\$127,000	<b>(\$185,000)</b>
<i>Prohibit the use of CFD funding for recreation program services, library services, the operation and maintenance of museums and cultural facilities, and ambulance and paramedic services.</i>	Funded by the GF	No CFD Funding	n/a
<i>Limit the annual cost of running the CFD and administering the third-party contracts to \$100,000, with capped CPI adjustments.</i>	\$415,000	\$100,000	<b>(\$315,000)</b>
<i>Prohibit CFD payments for fire protection and suppression services. These services are currently not funded by the CFD.</i>	Funded by the GF	No CFD Funding	n/a
<i>Limit CFD funding for local Park, recreation, parkway, and open space facilities to pay for the supplemental cost of enhancing services beyond that of standard municipal services</i>	Inc. Above	Inc. Above	na
<i>Other (equipment, etc.)</i>	\$340,147	\$340,147	\$0
<b>Total</b>	<b>\$4,335,290</b>	<b>\$2,067,147</b>	<b>(\$2,268,143)</b>

**IMPACT ON RIVERPARK CFD TAXPAYERS**

This initiative will not lower the Maximum Special Taxes, but will limit the services that can be funded. This will likely lead to lower annual taxes being levied and lower levels of park and landscaping maintenance, storm water maintenance, and police patrol services.

The tricky part of this initiative is that funding is allowed if the City steps in and funds “standard municipal services” from non-special-tax sources. This means that the level of tax and the impact on taxpayers is dependent on this decision by the City. What if the City provided some services but not the

“standard” level? What is the “standard” level? In comparison to the other two initiatives, this one is the most difficult to determine actual impacts to the CFD tax payor.

Because the Maximum Special Taxes are not impacted by this initiative, property owners will continue to disclose the then-current Maximum Special Taxes upon sale of a home.

## **CITY ABILITY TO MAINTAIN SERVICES**

As discussed under the *City Park & Landscape Funding* chapter above, the City relies on special assessment and taxes for 45% of its annual maintenance. The loss of these revenues will require the City to direct other resources to backfill these funding sources. That could mean reducing existing services or delaying investments in deferred maintenance. This will leave the City with difficult decisions to make on whether or not to continue existing levels of service in any special funding district that reduces revenues.

If the residents of CFD No. 5 elect to eliminate or substantially reduce the assessments for CFD No. 5, then the City may choose not to backfill the lost funding -- thus resulting in substantial reductions in the maintenance and services that are currently provided to the residents of CFD No. 5 by the CFD No. 5 special taxes.

# RIVERPARK CFD REPEAL

*“The proposed initiative would eliminate all funding generated by CFD No. 5. The initiative would accomplish this by removing the ability of CFD No. 5 to collect any taxes required to maintain the River Park community. The proposed initiative indicates that it is to “be liberally construed and broadly applied in order to effectuate its underlying purpose of repealing the City’s special taxes imposed on properties in the District.”*

This initiative is the most impactful of the three. Eliminating the CFD undercuts the City’s ability to maintain any of the CFD services.

## IMPACT ON RIVERPARK CFD TAXPAYERS

The repeal of CFD No. 5 will eliminate all special tax collections. The current year special tax levy was \$3.2 million and the FY25 budgeted services are \$4.3 million. The special taxes in the CFD would cease to exist and the taxpayers in CFD No. 5 will no longer be levied these taxes.

As with other initiatives, there is a funding response to this loss of revenue by the City that will likely result in a severe reduction in maintenance for the former CFD-funded parks, landscaping, and storm water facilities. Even if the City steps into to make up some of these expenses, it is likely that RiverPark parks and landscaping will, at best, be maintained at significantly reduced levels. This could impact the attractiveness of the RiverPark development and impact land values if park and landscape maintenance declines.

## CITY ABILITY TO MAINTAIN SERVICES

As discussed under the *City Park & Landscape Funding* chapter above, the City relies on special assessment and taxes for 45% of its annual maintenance. The loss of these revenues will require the City to direct other resources to backfill these funding sources. That could mean reducing existing services or delaying investments in existing deferred maintenance. This will leave the City with difficult decisions to make on whether or not to continue existing levels of service in any special funding district that reduces revenues.

If the residents of CFD No. 5 elect to eliminate or substantially reduce the assessments for CFD No. 5, then the City may choose not to backfill the lost funding -- thus resulting in substantial reductions in the maintenance and services that are currently provided to the residents of CFD No. 5 by the CFD No. 5 special taxes.

# SUMMARY FINDINGS

The question of what will happen if the voters in RiverPark vote to decrease its funding for park, landscaping, and storm drainage from CFD No. 5, can only be answered by the City's policy direction if such an action occurs. However, there are some likely directions that the City may go based on its overall financial position. CFD No. 5 currently guarantees a high level of maintenance and security in RiverPark. Reduced funding will limit (or eliminate) the City's ability to maintain this high level of service. Based on the analysis in this report, the following major findings have been made:

- The CFD provides for a **guaranteed level of park and landscaping maintenance, facility replacement (as needed), and higher levels of police patrol.**
- The City will be **hard pressed to meet all of its funding demands** without the passage of any of these initiatives. This will be exacerbated should any of the CFD No. 5 initiatives pass.
- If the residents of CFD No. 5 elect to eliminate or substantially reduce the assessments for CFD No. 5, then the City may choose not to backfill the lost funding -- thus resulting in substantial reductions in the maintenance and services that are currently provided to the residents of CFD No. 5 by the CFD No. 5 special taxes. The City is:
  - Unlikely to defer money from existing programs to make up CFD No. 5 lost revenue
  - Unlikely to use one-time monies from unassigned fund balances to fund lost revenue
  - Should not defer general fund resources from existing park maintenance to make up the lost revenue amounts



# APPENDICES

Appendix A—CFD Special Tax Reduction

Appendix B—CFD Special Tax Limitations

Appendix C— CFD Special Tax Elimination

## **Appendix A—Lower Tax Initiative**

**(Includes initiative text and Ballot Title and Summary)**

## **Reduction of the Maximum Special Taxes That Can Be Imposed Within Community Facilities District No. 5 (RiverPark)**

Prior to the development of the RiverPark community, Community Facilities District No. 5 (RiverPark) was required to be created to pay for specific services for the new community, including the maintenance of parks, parkways and open space, flood and storm protection services, and police protection services.

The proposed initiative would result in a 50 percent reduction in the potential amount of CFD funding available to provide services within the RiverPark community. This means that assessments could not be increased above existing levels to provide additional services to RiverPark residents or to cover the cost of existing services if such costs increased due to inflation and other outside factors. Currently, money generated by CFD No. 5 pays for a range of services within the RiverPark community including:

- Maintaining all of the parks and open space areas within the RiverPark community.
- Maintaining sports fields used for youth baseball and soccer.
- Helping to maintain a gymnasium used for youth sports activities.
- Funding flood and storm protection services.
- Funding police protection services.

As background, the CFD No. 5 formation documents established the maximum amount of special taxes (the “max tax”) that can be imposed on each type of development (Land Use Class) within CFD No. 5. These Land Use Classes included single family homes (attached and detached), high density properties, and non-residential properties. After the CFD was established, the amount of the “max tax” for each Land Use Class increases between 2% and 5% each year based upon the Consumer Price Index. Currently, CFD No. 5 imposes assessments on each Land Use Class that is 50.01 percent of the existing “max tax”.

Under the proposed initiative, the amount of the “max tax” for each Land Use Class would be reduced by 50 percent from the 2005/2006 levels. If the proposed initiative is approved by voters, the new allowed “max tax” for each Land Use Class would be slightly less than the taxes that are currently imposed on each Land Use Class within CFD No. 5.

The proposed initiative indicates that it is to “be liberally construed and broadly applied in order to effectuate its underlying purpose of reducing the City’s special taxes imposed on properties in the District.” If adopted by voters, the proposed initiative would become effective on June 30, 2025.

CITY CLERK OXNARD  
MAR 18 '24 7:11:46

ORDINANCE REDUCING SPECIAL TAX IN  
COMMUNITY FACILITIES DISTRICT NO. 5 (RIVERPARK)

The people of the City of Oxnard do ordain as follows:

SECTION 1. Title.

This initiative shall be known and may be cited as the "People's Right to Vote on Riverpark Taxes Act."

SECTION 2. Findings and Declarations.

The people of the City of Oxnard find and declare all of the following:  
a) The City of Oxnard imposes a Mello-Roos tax on Community Facilities District No. 5 (Riverpark) ("the District"), charging property owners a special tax

to fund general services currently provided to other Oxnard residents through their normal property and sales taxes.  
 b) As a result, many Riverpark residents believe they are being unfairly double-charged for the same services, and that such unreasonable and excessive Mello-Roos taxes depress the property values of homeowners.  
 c) For the fiscal year ending June 30, 2024, the City of Oxnard is taxing Riverpark approximately half the maximum allowed by the District's formation documents. That means the City could in future years decide to tax property owners double that already-high amount.  
 d) The maximum allowed tax should be reduced by half. By doing so, City Hall would be required to make a convincing case to voters that more money is needed before it increases taxes again.

10	Single Family Detached Property	≥2,800 SF	\$3,014.65-1,507.83 per unit
11	Affordable Units	NA	\$461.23-230.62 per unit
12	High Density Property	NA	\$459.06-229.53 per unit
13	Non-Residential Property	NA	\$0.1347-0.0674 per square foot of Non-Residential floor area

**SECTION 3. Purposes and Intent.**

a) The People of the City of Oxnard hereby declare that their purpose and intent in enacting the "People's Right to Vote on Riverpark Taxes Act" is to reduce the Maximum Special Tax rates imposed on the District by half, taking into effect an escalation each July 1, commencing on July 1, 2006, for changes in the Consumer Price Index.  
 b) The people intend this Act to be an exercise of their rights pursuant to Section 3 of Article XIII C of the California Constitution to reduce or repeal local taxes, assessments, fees or charges.

**SECTION 4. People's Right to Vote on Riverpark Taxes Act.**  
 Part C of Exhibit B of Resolution No. 12936, adopted as Ordinance No. 2701 by the City Council of the City of Oxnard acting as the governing body of Community Facilities District No. 5 (Riverpark) is hereby amended to read as follows:

(Text to be inserted is indicated in *bold italics* type. Text to be deleted is indicated in ~~strikethrough~~ type. Text in standard, bold or underlined type, is existing and not amended by this initiative.)

**C. MAXIMUM SPECIAL TAX RATE**

**1. Developed Property**

**a. Maximum Special Tax**

The Fiscal Year 2005-2006 Maximum Special Tax for each Land Use Class is shown below in Table 1.

**TABLE 1**

Maximum Special Taxes for Developed Property

For Fiscal Year 2005-2006  
 Community Facilities District No. 5 (RiverPark)

Land Use Class	Description	Residential Floor Area	Maximum Special Tax
1	Single Family Attached Property	< 1,400 SF	\$1,266.86-633.43 per unit
2	Single Family Attached Property	1,400 - 1,699 SF	\$1,557.21-778.61 per unit
3	Single Family Attached Property	1,700 - 1,999 SF	\$1,704.10-852.05 per unit
4	Single Family Attached Property	2,000 - 2,199 SF	\$2,000.17-1,000.09 per unit
5	Single Family Attached Property	≥2,200 SF	\$2,147.06-1,073.53 per unit
6	Single Family Detached Property	< 1,750 SF	\$1,857.01-928.51 per unit
7	Single Family Detached Property	1,750 - 2,099 SF	\$2,104.41-1,052.21 per unit
8	Single Family Detached Property	2,100 - 2,299 SF	\$2,289.27-1,144.64 per unit
9	Single Family Detached Property	2,300 - 2,799 SF	\$2,644.11-1,320.56 per unit

**b. Increase in the Maximum Special Tax**

On each July 1, commencing on July 1, 2006, the Maximum Special Tax each Land Use Class shall be increased by based on the percentage change in the Consumer Price Index with a maximum annual increase of five percent (5%) and a minimum annual increase of two percent (2%) per Fiscal Year.

**d. Multiple Land Use Classes**

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel.

**2. Undeveloped Property**

**a. Maximum Special Tax**

The Fiscal Year 2005-2006 Maximum Special Tax for Undeveloped Property shall be \$19,793.43-9,896.72 per Acre.

**b. Increase in the Maximum Special Tax**

On each July 1, commencing on July 1, 2006, the Maximum Special Tax for Undeveloped Property shall be based on the percentage change in the Consumer Price Index with a maximum annual increase of five percent (5%) and a minimum annual increase of two percent (2%) per Fiscal Year.

**SECTION 5. Broad Construction and Implementation.**

a) The provisions of this Act shall be liberally construed and broadly applied in order to effectuate its underlying purpose of reducing by half the Maximum Special Tax rates imposed in the District, taking into effect an escalation each July 1, commencing on July 1, 2006, for changes in the Consumer Price Index. For example, had this Act been in effect for the Fiscal Year ending June 30, 2023, the Maximum Special Tax for Land Use Class 1 would have been \$1,000.29 rather than \$2,000.58.  
 b) If any provision of this Act or the application thereof to any person or circumstance is held invalid, then the people intend that the entire special tax be repealed.

**SECTION 6. Conflicting Ballot Measures.**

a) Notwithstanding Section 9221 of the Elections Code, this measure is not intended to conflict with any other measure sponsored by the proponents and adopted at the same election, and to the extent possible the nonconflicting provisions of two or more such measures adopted at the same election shall be given effect to achieve the greatest reduction in tax.  
 b) If this measure is approved by voters but superseded by any other conflicting ballot measure sponsored by the City Council and approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force of law.  
 c) In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety and the provisions of the City Council sponsored measure or measures shall be null and void in their entirety. In the event that the City Council sponsored measure or measures shall receive a greater number of affirmative votes, the provisions of this measure shall take effect to the extent permitted by law.

**SECTION 7. Proponent Standing.**

In the event that any proponent of this measure is defending it in a legal proceeding because the City has declined to defend it or appeal an adverse judgment against it, the proponent shall: act as an agent of the people and the City; be subject to all ethical, legal, and fiduciary duties applicable to such parties in such legal proceedings; and be entitled to recover reasonable legal fees and related costs from the City.

## **Appendix B—Limited Funding Initiative**

**(Includes initiative text and Ballot Title and Summary)**

## **Limitations on Uses of Special Taxes for Community Facilities District No. 5 (RiverPark)**

Prior to the development of the RiverPark community, Community Facilities District No. 5 (RiverPark) was required to be created to pay for specific services for the new community, including the maintenance of parks, parkways and open space, flood and storm protection services, and police protection services.

Currently, funds generated by CFD No. 5 pay for a range of services within the RiverPark community including:

- Maintaining all of the parks and open space areas within the RiverPark community.
- Maintaining sports fields used for youth baseball and soccer.
- Helping to maintain a gymnasium used for youth sports activities.
- Funding flood and storm protection services.
- Funding police protection services.

If adopted by voters, the proposed initiative would impose limits on the way in which CFD No. 5 funding is used, including:

- Limit CFD funding for maintenance of parks, parkways and open space to beyond that of “standard municipal services” (less revenues derived from rentals of the parks) and limited to paying for third-party services and City-provided utilities.
- Prohibit use of CFD funding to maintain sports fields within RiverPark for youth baseball and soccer and prohibit use of CFD funding to help maintain a gymnasium used for youth sports activities – all located on Rio School District-owned property pursuant to an existing joint use agreement with the school district. (The initiative would prohibit CFD funding for maintenance services for elementary and secondary school sites and structures.)
- Restrict CFD funding for flood and storm protection services to beyond “standard municipal services” and limited to paying third party vendors who directly provide the services.
- Limit police protection services to one supplemental officer or the full-time equivalent, excluding overtime costs.



- Prohibit the use of CFD funding for recreation program services, library services, the operation and maintenance of museums and cultural facilities, and ambulance and paramedic services. None of these services have ever been funded by the CFD.
- Limit the annual cost of running the CFD and administering the third-party contracts to \$100,000, with capped CPI adjustments.
- Prohibit CFD payments for fire protection and suppression services. These services are currently not funded by the CFD. Per Resolution 15,504, the City cannot impose this obligation without a specific process that includes written notice to all property owners within the CFD and a public hearing before the City Council.

The proposed initiative indicates that it is to “be liberally construed and broadly applied in order to effectuate its underlying purpose of reducing the City’s special taxes imposed on properties in the District.” If adopted by voters, the proposed initiative would become effective on June 30, 2025.

CITY CLERK OXNARD  
MAR 18 '24 PM 1:05

ORDINANCE CURBING SPECIAL TAX IN  
COMMUNITY FACILITIES DISTRICT NO. 5 (RIVERPARK)

The people of the City of Oxnard do ordain as follows:

**SECTION 1. Title.**

This initiative shall be known and may be cited as the "Curbing Riverpark's Unfair Mello-Roos Taxes Act."

**SECTION 2. Findings and Declarations.**

The people of the City of Oxnard find and declare all of the following:  
a) The City of Oxnard imposes a Mello-Roos tax on Community Facilities District No. 5 (Riverpark) ("the District"), charging property owners a special tax

- to fund general services currently provided to other Oxnard residents through their normal property and sales taxes.
- b) As a result, many Riverpark residents believe they are being unfairly double-charged for the same services, and that such unreasonable and excessive Mello-Roos taxes depress the property values of homeowners.
  - c) The City of Oxnard charges Riverpark excessive administrative costs, which leaves less money available for direct services to Riverpark.
  - d) The City of Oxnard often deploys police at The Collection, charging Riverpark extra for Police Services at overtime rates.
  - e) City Hall removed a \$1.6 million charge for fire protection starting fiscal year ending June 30, 2022, but only after receiving pushback from homeowners. Unfortunately, nothing legally prohibits the City from charging that again.
  - f) While Riverpark pays extra for its local parks, the City allows any Oxnard resident to use them and even keeps park rental fees for its own use rather than using such funds to reduce taxes.
  - g) Pursuant to an existing joint use agreement with the Rio School District, the City is obligated to fund maintenance services for elementary and secondary school sites and structures, including sports fields and a gymnasium, whether or not the City imposes a special tax in Riverpark.

### SECTION 3. Purposes and Intent.

- a) The People of the City of Oxnard hereby declare that their purpose and intent in enacting the "Curbing Riverpark's Unfair Mello-Roos Taxes Act" is to reduce the amount of special tax that can be imposed on the District to only funding the marginal cost of enhanced services and not supplanting other funding of standard municipal services generally offered throughout the City, such as police, fire, park, recreational, open space, landscaping, street and street lighting, flood and storm protection, and stormwater treatment facilities.
- b) The people intend this Act to be an exercise of their rights pursuant to Section 3 of Article XIII C of the California Constitution to reduce or repeal local taxes, assessments, fees or charges.

**SECTION 4. Curbing Riverpark's Unfair Mello-Roos Taxes Act**  
Exhibit A of Resolution No. 12936, adopted as Ordinance No. 2701 by the City Council of the City of Oxnard acting as the governing body of Community Facilities District No. 5 (Riverpark) is hereby amended to read as follows:

(Text to be inserted is indicated in *bold italics* type. Text to be deleted is indicated in ~~strike through~~ type. Text in standard, bold or underlined type, is existing and not amended by this Initiative.)

#### EXHIBIT A

#### CITY OF OXNARD COMMUNITY FACILITIES DISTRICT NO. 5 (RIVERPARK)

#### DESCRIPTION OF SERVICES AND IMPROVEMENTS TO BE FUNDED BY THE DISTRICT

##### SERVICES AND IMPROVEMENTS

All services that are authorized pursuant to Government Code Section 5313 are authorized expenditures under this resolution. The District expects to use such funds, but is not limited to use such funds, for the following purposes:

- Maintenance of parks, parkways, and open space. *Notwithstanding, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, tax may only be levied to pay for the supplemental cost of enhancing services beyond that of standard municipal services, and shall be further limited to City-provided utilities and invoices from third parties for the direct provision of such enhanced services, reduced by revenues derived from the rental or use of such spaces.*
- Recreation program services, library services, maintenance services for elementary and secondary school sites and structures, and the operation and maintenance of museums and cultural facilities. *Notwithstanding, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, no tax shall be levied to pay for such services.*
- Flood and storm protection services. *Notwithstanding, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, tax may only be levied to pay for the supplemental cost of enhancing services beyond that of standard municipal services, and shall be further limited to invoices from third parties for the direct provision of such services.*
- Costs incurred in establishing the District and creating the levy of the special tax, financial advisor fees and expenses, appraisal and price

point study costs, maintenance reserves, and District counsel fees and expenses.

- Ongoing administrative fees of the District, the City of Oxnard and any trustee, fiscal agent or financial administrator related to the District. *Notwithstanding, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, no tax shall be levied to pay for such expenditures beyond \$100,000 annually adjusted by the Consumer Price Index on each July 1 with a maximum annual increase of five percent (5%) per Fiscal Year.*
- Reimbursement of costs related to the formation of the District advanced by the City of Oxnard, any landowner in the District, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City of Oxnard, any landowner in the District or any party related to any of the foregoing, for services, fees or other purposes or costs of the District.
- Police protection services. *Notwithstanding, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, tax may only be levied to pay for the supplemental cost of enhancing services beyond that of standard municipal services, and shall be further limited to the payroll and ancillary current operating cost of one supplemental officer (or full-time equivalent), excluding the cost of overtime, and only while deployed within the District.*
- Fire protection and suppression services. *Notwithstanding, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, no tax shall be levied to pay for such*
- ~~services.~~
- Ambulance and paramedic services. *Notwithstanding, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, no tax shall be levied to pay for such services.*
- Local Park, recreation, parkway, and open-space facilities. *Notwithstanding, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, tax may only be levied to pay for the supplemental cost of enhancing services beyond that of standard municipal services, and shall be further limited to City-provided utilities and invoices from third parties for the direct provision of such enhanced services, reduced by revenues derived from the rental or use of such spaces.*
- *Notwithstanding any provision to the contrary, effective June 30 following the adoption of the Curbing Riverpark's Unfair Mello-Roos Taxes Act, no tax shall be levied to pay for any other authorized purpose beyond those itemized herein.*

### SECTION 5. Broad Construction and Implementation.

- a) The provisions of this Act shall be liberally construed and broadly applied in order to effectuate its underlying purpose of reducing the City's special taxes imposed on properties within the District.
- b) If any provision of this Act or the application thereof to any person or circumstance is held invalid, or if a court determines that this special tax has been used to supplant other funding of standard municipal services, then the people intend that the entire special tax be repealed.

### SECTION 6. Conflicting Ballot Measures.

- a) Notwithstanding Section 9221 of the Elections Code, this measure is not intended to conflict with any other measure sponsored by the proponents and adopted at the same election, and to the extent possible the nonconflicting provisions of two or more such measures adopted at the same election shall be given effect to achieve the greatest reduction in tax.
- b) If this measure is approved by voters but is superseded by any other conflicting ballot measure sponsored by the City Council and approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force of law.
- c) In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety and the provisions of the City Council sponsored measure or measures shall be null and void in their entirety. In the event that the City Council sponsored measure or measures shall receive a greater number of affirmative votes, the provisions of this measure shall take effect to the extent permitted by law.

### SECTION 7. Proponent Standing.

In the event that any proponent of this measure is defending it in a legal proceeding because the City has declined to defend it or appeal an adverse judgment against it, the proponent shall: act as an agent of the people and the City; be subject to all ethical, legal, and fiduciary duties applicable to such parties in such legal proceedings; and be entitled to recover reasonable legal fees and related costs from the City.

# **Appendix C—Eliminate CFD Initiative**

**(Includes initiative text and Ballot Title and Summary)**

## **Repeal of Community Facilities No. 5 (RiverPark) Special Taxes**

Prior to the development of the RiverPark community, Community Facilities District No. 5 (RiverPark) was required to be created to pay for specific services for the new community, including the maintenance of parks, parkways and open space, flood and storm protection services, and police protection services. The funds generated by CFD No. 5 pay for a range of services within the RiverPark community including:

- Maintaining all of the parks and open space areas within the RiverPark community.
- Maintaining sports fields used for youth baseball and soccer.
- Helping to maintain a gymnasium used for youth sports activities.
- Funding flood and storm protection services.
- Funding police protection services.

The proposed initiative would eliminate all funding generated by CFD No. 5. The initiative would accomplish this by removing the ability of CFD No. 5 to collect any taxes required to maintain the RiverPark community. The proposed initiative indicates that it is to “be liberally construed and broadly applied in order to effectuate its underlying purpose of repealing the City’s special taxes imposed on properties in the District.”

As such, if the proposed initiative is approved by voters and becomes effective, then on and after July 1, 2025, no funding would be generated by CFD No. 5 to maintain the above services for the RiverPark community.

CITY CLERK OXNARD  
MAR 18 2017

ORDINANCE REPEALING SPECIAL TAX IN  
COMMUNITY FACILITIES DISTRICT NO. 5 (RIVERPARK)

The people of the City of Oxnard do ordain as follows:

SECTION 1. Title.

This initiative shall be known and may be cited as the "Repeal Riverpark Mello-Roos Taxes Act."

SECTION 2. Findings and Declarations.

The people of the City of Oxnard find and declare all of the following:

- a) The City of Oxnard imposes a Mello-Roos tax on Community Facilities District No. 5 (Riverpark) ("the District"), charging property owners a special tax

to fund general services currently provided to other Oxnard residents through their normal property and sales taxes.  
 b) As a result, many Riverpark residents believe they are being unfairly double-charged for the same services, and that such unreasonable and excessive Mello-Roos taxes depress the property values of homeowners.  
 c) Most Oxnard homeowners do not pay extra on their property tax bills to maintain City-owned property and receive standard municipal services generally offered throughout the City, such as police, fire, park, recreational, open space, landscaping, street and street lighting, flood and storm protection, and stormwater treatment facilities.  
 d) The City of Oxnard needs to take responsibility for maintaining City-owned property and providing standard municipal services to the residents of Riverpark,  
 e) If the City chooses to shirk its responsibility to fund maintenance of its landscaping improvements from its general fund, it should deed over that property, such as in a manner provided in Part 3 of Division 9 of the Streets and Highways code, to either the owners of adjacent parcels or an association formed under the Davis-Stirling Common Interest Development Act (Part 5 of Division 4 of the Civil code) created for the purpose of maintaining such property.

**SECTION 3. Purposes and Intent.**

a) The People of the City of Oxnard hereby declare that their purpose and intent in enacting the "Repeal Riverpark Mello-Roos Taxes Act" is to repeal the Mello-Roos tax imposed on properties within the District, effective June 30 following the adoption of the Act, and receive no less than the standard municipal services generally offered throughout the City, such as police, fire, park, recreational, open space, landscaping, street and street lighting, flood and storm protection, and stormwater treatment facilities.  
 b) The people intend this Act to be an exercise of their rights pursuant to Section 3 of Article XIII C of the California Constitution to reduce or repeal local taxes, assessments, fees or charges.

**SECTION 4. Repeal Riverpark Mello-Roos Taxes Act**  
 Part C of Exhibit B of Resolution No. 12936, adopted as Ordinance No. 2701 by the City Council of the City of Oxnard acting as the governing body of Community Facilities District No. 5 (Riverpark) is hereby amended to read as follows:

(Text to be inserted is indicated in *bold italics* type. Text to be deleted is indicated in ~~strike through~~ type. Text in standard, bold or underlined type, is existing and not amended by this Initiative.)

**C. MAXIMUM SPECIAL TAX RATE**

**1. Developed Property**

**a. Maximum Special Tax**

The Fiscal Year 2005-2006 Maximum Special Tax for each Land Use Class is shown below in Table 1.

**TABLE 1**

Maximum Special Taxes for Developed Property

For Fiscal Year 2005-2006  
 Community Facilities District No. 5 (RiverPark)

Land Use Class	Description	Residential Floor Area	Maximum Special Tax
1	Single Family Attached Property	< 1,400 SF	\$1,266.86 per unit
2	Single Family Attached Property	1,400 - 1,699 SF	\$1,557.21 per unit
3	Single Family Attached Property	1,700 - 1,999 SF	\$1,704.10 per unit
4	Single Family Attached Property	2,000 - 2,199 SF	\$2,000.17 per unit
5	Single Family Attached Property	≥2,200 SF	\$2,147.06 per unit
6	Single Family Detached Property	< 1,750 SF	\$1,857.01 per unit
7	Single Family Detached Property	1,750 - 2,099 SF	\$2,104.41 per unit
8	Single Family Detached Property	2,100 - 2,299 SF	\$2,289.27 per unit
9	Single Family Detached Property	2,300 - 2,799 SF	\$2,641.11 per unit
10	Single Family Detached Property	≥2,800 SF	\$3,014.65 per unit

11	Affordable Units	NA	\$461.23 per unit
12	High Density Property	NA	\$459.06 per unit
13	Non-Residential Property	NA	\$0.1347 per square foot of Non-Residential floor area

**b. Increase in the Maximum Special Tax**

On each July 1, commencing on July 1, 2006, the Maximum Special Tax each Land Use Class shall be increased by based on the percentage change in the Consumer Price Index with a maximum annual increase of five percent (5%) and a minimum annual increase of two percent (2%) per Fiscal Year.  
*Notwithstanding any provision to the contrary, effective June 30 following the adoption of the Repeal Riverpark Mello-Roos Taxes Act, the Maximum Special Tax for each Land Use Class shall be \$0.00 per unit and per square foot.*

**d. Multiple Land Use Classes**

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel.

**2. Undeveloped Property**

**a. Maximum Special Tax**

The Fiscal Year 2005-2006 Maximum Special Tax for Undeveloped Property shall be \$19,793.43 per Acre. *Notwithstanding any provision to the contrary, effective June 30 following the adoption of the Repeal Riverpark Mello-Roos Taxes Act, the Maximum Special Tax shall be \$0.00 per Acre.*

**b. Increase in the Maximum Special Tax**

On each July 1, commencing on July 1, 2006, the Maximum Special Tax for Undeveloped Property shall be based on the percentage change in the Consumer Price Index with a maximum annual increase of five percent (5%) and a minimum annual increase of two percent (2%) per Fiscal Year. *Notwithstanding any provision to the contrary, effective June 30 following the adoption of the Repeal Riverpark Mello-Roos Taxes Act, the Maximum Special Tax for Undeveloped Property shall be \$0.00 per Acre.*

**SECTION 5. Broad Construction.**

a) The provisions of this Act shall be liberally construed and broadly applied in order to effectuate its underlying purpose of repealing the City's special taxes imposed on properties within the District, thereby obligating the City to provide standard municipal services, generally offered throughout the City, such as police, fire, park, recreational, open space, landscaping, street and street lighting, flood and storm protection, and stormwater treatment facilities.  
 b) If any provision of this Act conflicts directly or indirectly with any other provision of law, those other provisions shall be null and void to the extent that they are inconsistent with this act, and are hereby repealed.

**SECTION 6. Conflicting Ballot Measures.**

a) Notwithstanding Section 9221 of the Elections Code, this measure is not intended to conflict with any other measure sponsored by the proponents and adopted at the same election, and to the extent possible the nonconflicting provisions of two or more such measures adopted at the same election shall be given effect to achieve the greatest reduction in tax.  
 b) If this measure is approved by voters but superseded by any other conflicting ballot measure sponsored by the City Council and approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force of law.  
 c) In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety and the provisions of the City Council sponsored measure or measures shall be null and void in their entirety. In the event that the City Council sponsored measure or measures shall receive a greater number of affirmative votes, the provisions of this measure shall take effect to the extent permitted by law.

**SECTION 7. Proponent Standing.**

In the event that any proponent of this measure is defending it in a legal proceeding because the City has declined to defend it or appeal an adverse judgment against it, the proponent shall: act as an agent of the people and the City; be subject to all ethical, legal, and fiduciary duties applicable to such parties in such legal proceedings; and be entitled to recover reasonable legal fees and related costs from the City.