



Date: November 7, 2022
To: Board of Directors
From: Tony Constantouros, Interim General Manager
Subject: Community Facility District

Recommendation

Explore the possibility of forming a Community Facility District with the 2023/24 budget process.

Background

The Kensington Park Assessment District is a Landscape and Lighting District that was created on December 6, 1994, by the Kensington Police Protection and Community Services District (KPPCSD). The Park Assessment District was formed pursuant to the Landscaping and Lighting Act of 1972 in order to levy an assessment intended to fund park maintenance and care of the park. Since that time, the KPPCSD has been levying and collecting special assessments to pay for maintaining and servicing improvement. The Parks and Recreation Fund provided by the Park Assessment District has not been sufficient to fund the maintenance and care of the park and has been regularly supplemented through the general Fund.

An alternative option is a Community Facility District (CFD). CFD's are a Special Tax District and were established in 1982. They may provide improved options to properly fund and address the needs of the park.

Discussion and Analysis

Over the past several years, the Parks and Recreation Fund has functioned with an operating deficit that has been backfilled by the District's General Fund. Historically, the tax revenues cover a small portion of the budgeted expenses. As expenses have continued to increase, the tax assessment revenue has not kept pace with expenditures and the maintenance needs of the park and its facilities. Without the support of the KPPCSD's General Fund there would be insufficient funding for Kensington Park and the Community Center.

For example, in the current Fiscal Year 2022/2023, Parks and Recreation District expenses were projected at \$177,814 The Parks and Recreation Fund provided total of \$44,360 in tax revenue.

Fiscal Impact

None at this time.