



Board of Trustees
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Ken Noah

**BOARD OF TRUSTEES
SAN DIEGUITO PUBLIC FACILITIES AUTHORITY
SPECIAL MEETING**

AGENDA

**APRIL 16, 2009
5:30 PM**

**DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

A Special Meeting of the San Dieguito Public Facilities Authority of San Dieguito Union High School District has been scheduled for Thursday, April 16, 2009, at the above location.

CALL TO ORDER.....5:30 PM

INFORMATION ITEMS

1. Summary of Fiscal Year 2008/09 Annual Report and Update

2. Adjournment

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the [Office of the District Superintendent](#). Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

San Dieguito

Union High School District

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710 Encinitas Boulevard, Encinitas, CA 92024
Telephone (760) 753-6491
www.sduhsd.net

Business Services Division
Stephen G. Ma, Associate Superintendent
Fax (760) 943-3508

Memo

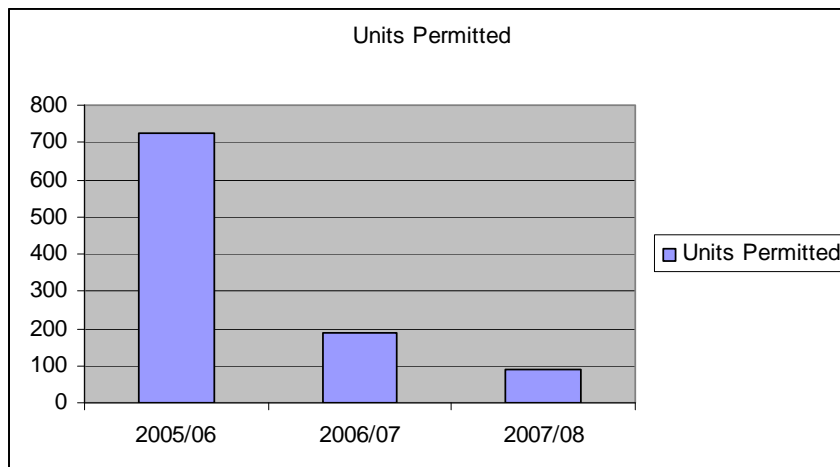
DATE: April 2, 2009
TO: Stephen G. Ma, Treasurer
San Dieguito Public Facilities Authority
FROM: John Addleman, Director of Planning and Financial Management
SUBJECT: San Dieguito Public Facilities Authority

At the July 17, 2008 San Dieguito Union High School District board meeting, we presented the 2008/09 special tax roll for the district's nine Community Facilities Districts as prepared by Willdan Financial Services, (formerly MuniFinancial), and staff. Special tax revenue to be collected for payment on the 2006 Revenue Refunding Bonds for fiscal year 2007/08 was certified on August 1, 2008 as \$5,950,608.00. Given the near stall in new housing construction within the district, the aggregate increase among the nine bonded Community Facilities Districts was slight at 1.4% or \$81,427.00, as compared to the previous fiscal year.

Permit Activity (2007-2008)

A total of 90 new residential units were permitted in 2007/08. The largest portion, 53 units, was permitted by Pardee Homes in Pacific Highlands Ranch, CFD 03-1.

The continued slow down in new residential housing construction is very apparent when compared to the 186 new units permitted in 2006/07 and the 725 units permitted in 2005/06.

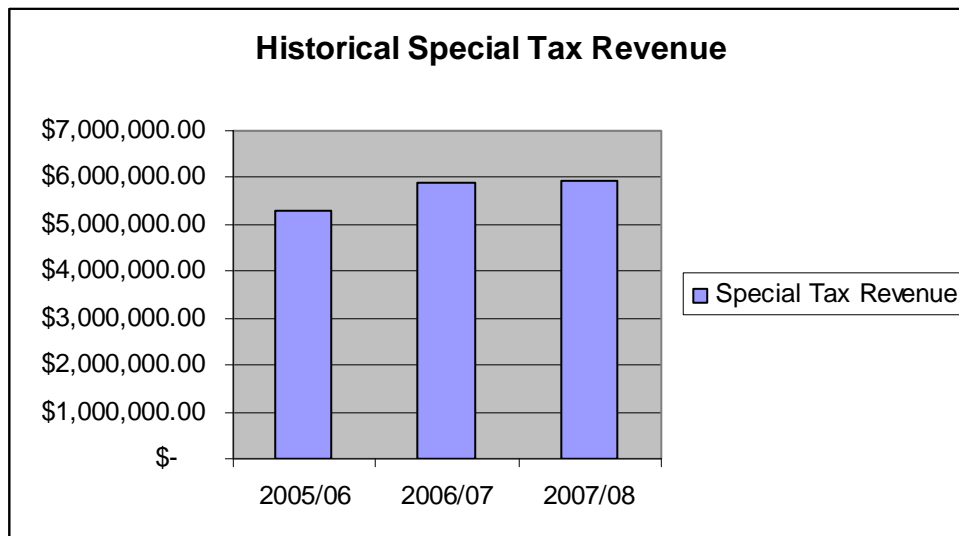


Special Tax Revenue

A total of \$5,950,608.00 in special tax revenue is expected to be collected in the nine Community Facilities Districts in 2008/09. All nine CFDs are bonded for the 2006 Revenue Refunding Bonds. As a result of the deposit and application of funds as provided in the 1998 and 2004 Escrow Agreements when the 2006 Bonds were issued, the 1998 and 2004 Bonds were defeased and all obligations thereunder were discharged.

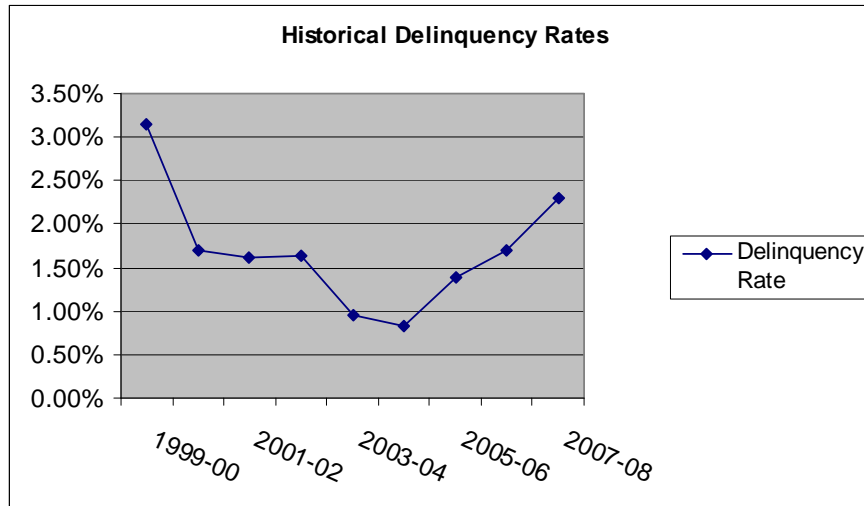
Special tax revenue will be collected in the following amounts from the Community Facilities Districts.

94-1	\$ 6,400.00	0.1%
94-2	\$1,774,400.00	29.8%
94-3	\$ 536,246.00	9.0%
95-1	\$2,142,270.00	36.0%
95-2	\$ 307,702.00	5.2%
99-1	\$ 339,342.00	5.7%
99-2	\$ 23,370.00	0.4%
99-3	\$ 72,960.00	1.2%
03-1	\$ 747,918.00	12.6%
Total	\$5,950,608.00	100.0%



Delinquency Rates

While the number of permits issued and the incremental special tax revenue have slowed, delinquencies have continued to rise.



The aggregate 2007/08 delinquency rate was 2.29%. As of February 25, 2009, the aggregate 08/09 delinquency rate is 4.27%. Of concern are three CFDs which are experiencing higher than anticipated delinquency rates. Portions of the Pacific Highlands Ranch and Del Mar Mesa communities within CFD 99-1, the CFD 99-3 community of Rancho Cielo, and the various communities of CFD 95-2 have delinquency rates of 6.74%, 10.94%, and 8.93% respectively. Since the delinquency rate is in excess of 5%, the three CFDs have been required to take foreclosure action regardless of the dollar amount or length of time of delinquency.

As the first step in the foreclosure process, staff has contacted Willdan Financial Services to issue a combination of 330 reminder and demand letters to the delinquent homeowners to address this concern.

94-2 Bond Covenant

Pursuant to Section 6.2(b) of the Series 2006 Indenture of Trust, the Authority certifies annually to the Trustee that each bond year, the Pro Rata Portion of CFD 94-2 in such bond year, together with all prior bond years, shall not exceed the percentage of all monies disbursed (or designated to be disbursed) from the Transferred Project Fund or the Released Project Fund that have been expended (or are designated to be expended) for Qualified 94-2 Facilities.

On August 9, 2006, \$19,227,196.41 was deposited into the Transferred Project Fund. CFD 94-2's pro rata portion was 31.2%, or \$5,998,885.28. Earnings of \$175,067.59, of which CFD 94-2 was allocated \$54,621.09, as reported last year, were incorrectly applied to the account by the trustee and have since been reversed. CFD 94-2's total pro rata share basis is \$5,998,885.28.

As of July 1, 2008, \$4,837,304.43 has been expended for Qualified 94-2 Facilities, while only \$1,185,540.84 is required to be allocated to a Qualified 94-2 Facility for compliance. The balance of the project funds, \$2,493,134.50, is currently designated a Qualified 94-2 Facility, the San Dieguito High School Academy Performing Arts Center.

94-2 Bond Covenant (continued)

The Certificate of Compliance was transmitted to our Trustee, US Bank, on August 13, 2008, prior to the August 31, 2008 due date.

94-2 Installment Purchase Agreement

As related to the \$91,125,000 San Dieguito Public Facilities Authority Revenue Refunding Bonds, Series 2006, an Installment Purchase Agreement was entered into by and between the District's CFD 94-2 and the Authority. In re-filing the agreement from a prior public records request, I noted that Exhibit A to the agreement, Description of Project, contained an error as it referenced Canyon Crest Academy – Main Campus, a non-qualified CFD 94-2 project, among the projects identified.

Per Section 2.02 of the agreement, CFD 94-2 has changed the Project. This change does not constitute an amendment to the agreement and therefore did not need prior written consent of CFD 94-2 as required under Section 7.01 of the agreement. CFD 94-2 has notified the Authority, per the attached, as well as the Trustee, US Bank.

Both Bond Counsel, Manatt Phelps & Phillips LLP and Special Tax Counsel, Law Office of Perry Israel, were consulted with regards to this change to Exhibit A. Bond Counsel deferred to Special Tax Counsel, since the document was originated by Tax Counsel at O'Melveny and Myers. Bond Counsel indicated that O'Melveny and Myers would not be in a position to comment, since tax counsel to the 2006 Bonds, Dean Weiner, has since passed away.

Special Tax Counsel, Perry Israel, verbally agreed that the change is allowable and without adverse tax implications. Staff will obtain a written opinion to that effect from Special Tax Counsel.

San Dieguito

Union High School District

APR 02 2009
RISK MANAGEMENT
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

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Facilities Planning Department
Fax (760) 943-3508

March 31, 2009

San Dieguito Public Facilities Authority
710 Encinitas Boulevard
Encinitas, California 92024
Attention: Executive Director

Re: San Dieguito Public Facilities Authority Revenue Refunding Bonds, Series 2006A, Series 2006B, Series 2006B – Installment Purchase Agreement by and between Community Facilities District No. 94-2 of the San Dieguito Union High School District and San Dieguito Public Facilities Authority

Dear Sir:

Per Section 2.02 of the Installment Purchase Agreement dated July 1, 2006, Community Facilities District No. 94-2 of the San Dieguito Union High School District has made changes in the composition and description of the Project, defined in Section 1.01, as those school facilities described in Exhibit A. A revised Exhibit A is attached for your file.

This change does not constitute an amendment, change, modification or alteration of this Installment Purchase Agreement.

Thank you for your attention to this matter.

Sincerely,



Stephen G. Ma
Associate Superintendent, Business Services

EXHIBIT A

DESCRIPTION OF PROJECT

San Dieguito High School Academy Media Center	\$1,264,000.00
San Dieguito High School Academy Safari Multi Media S	\$521,000.00
San Dieguito Academy Performing Arts Complex	\$2,470,000.00
Sunset High School Modernization	\$1,400,000.00
Total CFD 94-2	\$5,655,000.00

**Sunset High School Modernization: Replacement of all main utility feeds and low voltage systems. Offsite improvements to include the installation of sidewalk, curb, gutters, etc. per city code. Fencing is to be replaced and new landscaping installed. Construction of ADA Compliant bathrooms.*