



Staff Report

File #: 23-0547

REQUEST FOR CITY COUNCIL ACTION

DATE: 07/19/2023

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

RESOLUTION LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2024 FOR THE MAINTENANCE AND SERVICES COMMUNITY FACILITIES DISTRICT NO. 2001-1

EXECUTIVE SUMMARY:

This staff report asks the City Council to adopt Resolution No. 2023-075. Adoption of the recommended resolution will allow the City to levy and collect Fiscal Year 2024 special taxes for the maintenance and services Community Facilities District No. 2001-1.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2023-075, levying special taxes to be collected during Fiscal Year 2024 for the payment of annual cost of the operation and maintenance of parkways and open space within Community Facilities District No. 2001-1.

BACKGROUND & HISTORY:

Pursuant to the Mello-Roos Community Facilities Act of 1982, Community Facilities District No. 2001-1 (the "District") was formed to levy special taxes for the payment of the annual cost of the operation and maintenance of parkways and open space within the District and the surrounding area, and for the payment of administrative expenses incurred in connection with the levy and collection of said special taxes.

ANALYSIS:

It is necessary that the City Council levy special taxes for the payment of annual cost of the operation and maintenance of parkways and open space within the District, pursuant to Section 53340 of the Government Code. Special taxes within the District are levied in an amount necessary to satisfy the Operation and Maintenance Special Tax Requirement, as defined in the District's Rate and Method of Apportionment (the "RMA"). Any necessary replenishment or expenditure of the

reserve funds and an amount estimated for administrative expenses during the year are included in the levy. The special taxes levied will not exceed the authorized amounts as provided in the RMA.

FINANCIAL IMPACT:

The following is a summary of the Fiscal Year 2024 budgeted revenues and expenditures for the District:

| Estimated Costs | Estimated Assessment Revenue | Estimated Excess/(Deficit) | Percentage of Maximum Tax | Actual Assessment YOY % Change |
|-----------------|------------------------------|----------------------------|---------------------------|--------------------------------|
| \$708,502 | \$673,476 | (\$35,026) | 26.98% | 4.56% |

The estimated operating deficit of \$35,026 will be covered by a one-time contribution from the excess capital reserve fund. Pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), an adequate amount is retained in the reserve fund to maintain the financial stability of the District. Based on the current reserve balance, the District is not in danger of depleting the reserve fund in the near future.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action merely sets the special taxes to be levied and collected within the District for Fiscal Year 2024, and there is no possibility that adopting the resolution will have a significant effect on the environment. Therefore, no environment analysis is required.

PREPARED BY: ERMA MONTANO, SENIOR FINANCIAL ANALYST

REVIEWED BY: KIM SITTON, FINANCE DIRECTOR

Attachments:

- 1. Exhibit 1 - Boundary Map for Resolution No. 2023-075
- 2. Exhibit 2 - Resolution No. 2023-075