



Staff Report

---

**File #:** 24-0441

---

**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 06/05/2024

**TO:** Honorable Mayor and City Council Members

**FROM:** Finance Department

**SUBJECT:**

RESOLUTIONS LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2025 FOR THE CITY'S MAINTENANCE AND SERVICES COMMUNITY FACILITIES DISTRICTS

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to adopt Resolution No. 2024-055, No. 2024-056, No. 2024-057, No. 2024-058, No. 2024-059, No. 2024-060, No. 2024-061, No. 2024-062, No. 2024-063, and No. 2024-064. Adopting the recommended resolutions will allow the City to levy and collect Fiscal Year 2025 special taxes for the City's maintenance and services Community Facilities Districts.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Adopt Resolution No. 2024-055, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of maintenance services within Community Facilities District No. 2016-2 (Terrassa), Special Tax B.
- b. Adopt Resolution No. 2024-056, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of maintenance services within Community Facilities District No. 2017-2 (Valencia/Seville), Special Tax B.
- c. Adopt Resolution No. 2024-057, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of maintenance services within Community Facilities District No. 2018-1 (Bedford), Special Tax B.
- d. Adopt Resolution No. 2024-058, levying special taxes to be collected during Fiscal Year 2025

to pay the annual cost of maintenance services within Community Facilities District No. 2018-2 (Sierra Bella), Special Tax B.

- e. Adopt Resolution No. 2024-059, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of the operation and maintenance of parkways and open space within Community Facilities District No. 97-1 (South Corona Landscape).
- f. Adopt Resolution No. 2024-060, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of the operation and maintenance of storm drainage facilities within Community Facilities District No. 2000-1 (Eagle Glen II).
- g. Adopt Resolution No. 2024-061, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of the operation and maintenance of parkways and open space within Community Facilities District No. 2002-2.
- h. Adopt Resolution No. 2024-062, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of the operation and maintenance of parkways and open space within Community Facilities District No. 2002-3.
- i. Adopt Resolution No. 2024-063, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of the operation, maintenance, and lighting of parkways, streets, roads, and open space within Community Facilities District No. 2011-1.
- j. Adopt Resolution No. 2024-064, levying special taxes to be collected during Fiscal Year 2025 to pay the annual cost of maintenance services within Community Facilities District No. 2016-3 (Maintenance Services).

**BACKGROUND & HISTORY:**

Pursuant to the Mello-Roos Community Facilities Act of 1982, Community Facilities Districts (the "Districts") listed under the Recommended Action section were formed to levy special taxes for the payment of the annual cost of, but not limited to, maintenance and lighting of parks, parkways, streets, roads, and open space, maintenance and operation of water quality improvements, maintenance and operation of traffic signals, public street sweeping, and reserve funds for replacement of improvements within the Districts and the surrounding areas, and for the payment of administrative expenses incurred in connection with the levy and collection of said special taxes.

**ANALYSIS:**

The City Council must levy special taxes to pay the annual costs of the operation and maintenance of parkways and open space within the Districts, pursuant to Section 53340 of the Government Code. Special taxes within the Districts are levied in an amount necessary to satisfy the Operation and Maintenance Special Tax Requirement, as defined in the Districts' 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 provided in the RMA.

**FINANCIAL IMPACT:**

Staff reviews each District's budgeted operating costs and estimated revenues every fiscal year. The budgeted operating costs are determined by the prior year's actual costs for service and projected costs for the same services and any capital improvement projects needed for the next fiscal year. The projected revenues are also estimated based on the RMA allowable special tax rates and the properties within the District boundaries, including anticipated development for the newer Districts.

A summary of Fiscal Year 2025 estimated levies and operating costs for the Districts are presented in Exhibit 1. The column "YOY % Change in Levy Rate" in Exhibit 1 shows the changes to the proposed levy rates in Fiscal Year 2025 compared to Fiscal Year 2024. The majority of the Districts are changing from 0%-4.25%, as stated in the Exhibit.

Each District fully covers its operating and administration costs except for the following:

- i. CFD No. 2002-3: it is recommended to maintain the levy at approximately 20.82% of the maximum allowable tax due to excess capital reserve funds. The estimated operating deficit of \$27,951 will be covered by the estimated available capital reserve balance of \$305,333.
  
- ii. CFD No. 2011-1: It is recommended that the levy be increased by 10% this fiscal year to account for the increases in service costs for landscaping and lighting and build up the capital reserve funds for future improvements.
  
- iii. CFD No. 2016-2: It is recommended that the levy be maintained at approximately 96.76% of the maximum allowable tax due. The estimated operating deficit of \$1,955 will be covered by the estimated available capital reserve balance of \$102,846.
  
- iv. CFD No. 2016-3 Zone 15: It is recommended that the levy be maintained at approximately 96.86% of the maximum allowable tax due. The estimated operating deficit of \$65 will be covered by the estimated available capital reserve balance of \$871.

Pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), an adequate amount is retained in the reserve fund to maintain the Districts' financial stability.

**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 Districts for Fiscal Year 2025, and there is no possibility that adopting the resolution will

have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** ERMA MONTANO, SENIOR FINANCIAL ANALYST

**REVIEWED BY:** KIM SITTON, FINANCE DIRECTOR

**Attachments:**

1. Exhibit 1 - Summary of Estimated Levies & Operating Costs for the Districts
2. Exhibit 2 - Boundary Map for Resolution No. 2024-055
3. Exhibit 3 - Resolution No. 2024-055
4. Exhibit 4 - Boundary Map for Resolution No. 2024-056
5. Exhibit 5 - Resolution No. 2024-056
6. Exhibit 6 - Boundary Map for Resolution No. 2024-057
7. Exhibit 7 - Resolution No. 2024-057
8. Exhibit 8 - Boundary Map for Resolution No. 2024-058
9. Exhibit 9 - Resolution No. 2024-058
10. Exhibit 10 - Boundary Map for Resolution No. 2024-059
11. Exhibit 11 - Resolution No. 2024-059
12. Exhibit 12 - Boundary Map for Resolution No. 2024-060
13. Exhibit 13 - Resolution No. 2024-060
14. Exhibit 14 - Boundary Map for Resolution No. 2024-061
15. Exhibit 15 - Resolution No. 2024-061
16. Exhibit 16 - Boundary Map for Resolution No. 2024-062
17. Exhibit 17 - Resolution No. 2024-062
18. Exhibit 18 - Boundary Map for Resolution No. 2024-063
19. Exhibit 19 - Resolution No. 2024-063
20. Exhibit 20 - Boundary Map for Resolution No. 2024-064
21. Exhibit 21 - Resolution No. 2024-064