



## Agenda Report

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**File #:** 18-2182

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### **AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 10/17/2018

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

**FROM:** Administrative Services Department

**SUBJECT:**

City Council consideration of Resolution No. 2018-108, certifying the results of an election and adding territory to Community Facilities District No. 2016-1 (Public Services) of the City of Corona (Annexation No. 10).

**RECOMMENDED ACTION:**

That the City Council:

1. Adopt Resolution No. 2018-108 certifying the results of an election and adding territory to Community Facilities District No. 2016-1 (Public Services) of the City of Corona (Annexation No. 10).
2. Authorize the Purchasing Agent to increase Purchase Order P20751 in the amount of \$500.

**ANALYSIS:**

Karen Parker ("Owner") is the owner of one parcel totaling 2.99 acres, which located south of Ontario Avenue, north of Othello Lane, east of Lincoln Avenue and west of Buena Vista, legally described in Exhibit "A" of the Consent and Waiver ("Property"). The Owner proposes to construct four new detached single-family residences and leave the existing single-family residence on a separate lot on the Property. The Owner has agreed to annex the Property into Community Facilities District No. 2016-1 ("CFD 2016-1") for the purpose of financing police protection services (including but not limited to criminal justice services), fire protection and suppression services, and paramedic services ("Public Services") within the area of CFD 2016-1, which is necessary to serve new development within the Property.

CFD 2016-1 was formed by the City Council on March 2, 2016 pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 ("Act"). As part of the formation process and in accordance with the Act, the City Council also established an area designated as the "Future Annexation Area" for CFD 2016-1 and authorized the annexation of parcels within the Future Annexation Area to CFD No. 2016-1 upon the unanimous approval and election of the owner(s) of any such parcel authorizing the

levy of special taxes upon such parcel following the annexation of such parcel to CFD No. 2016-1. The annexation of parcels within the Future Annexation Area can be accomplished without any further public hearings or additional proceedings. The Property is within the Future Annexation Area and, thus, can be annexed to CFD 2016-1 with the unanimous approval and election of the Owners.

Prior to tonight's City Council meeting, the Owners executed the attached Consent and Waiver to Shortening of Time for Conducting a Special Elections and submitted ballots, which authorize the annexation of the Property to CFD 2016-1 and the levy of special taxes on the Property to pay for the Public Services.

The attached resolution will certify the results of the election on the annexation of the Property to CFD 2016-1 and annex the Property to CFD 2016-1.

The Owners will pay for the entire annexation cost. The City awarded the special tax consulting services to Spicer Consulting Group (SCG) in January 2018 through a competitive process. A Purchase Order (PO) was issued in the amount of \$160,000 to cover all existing special tax district administration work as of January 2018. The cost of this requested annexation is not covered by the existing PO with SCG. Therefore, staff is requesting to increase PO P20751 by \$500, consistent with the mutually agreed upon rates per the Professional Services Agreement (PSA) between the City and SCG.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

Per tax rate set by the Rate and Method of Apportionment (RMA), total maximum assessment rate for CFD 2016-1 is \$580.43 per single family and \$402.70 per multi-family residential unit for Fiscal Year 2019-20. The RMA provides for an annual escalation up to the greater of 4% or the Consumer Price Index (CPI) on July 1, subject to the approval of the City Manager.

On March 1 of each year, every residential building for which a building permit has been issued will be subject to the special taxes in the ensuing fiscal year. Approval of the attached resolution is anticipated to result in approximately \$2,322 of additional annual special tax revenue per year when the Property is fully developed as planned. The additional assessment for CFD 2016-1 will provide a portion of the cost of Public Services to be provided to the residents within the Property.

**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 general rule 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 adoption of the resolutions may have a significant effect on the environment, the action is not subject to CEQA. This action merely annexes the Property to Community Facilities District 2016-1 and there is no possibility that adopting the above resolution will have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** LIEN-CHI CANTUBA, FINANCIAL ANALYST III

**REVIEWED BY:** JENNIFER SCHAEFER, FINANCE MANAGER

**REVIEWED BY:** KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

**REVIEWED BY:** MICHELE NISSEN, ASSISTANT CITY MANAGER

**SUBMITTED BY:** DARRELL TALBERT, CITY MANAGER

**Attachment:** Consent and Waiver to Shortening of Time for Conducting a Special Election