



## Agenda Report

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**File #:** 18-2185

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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:**

Public Hearing for City Council consideration of Resolution No. 2018-110, calling special election and Resolution No. 2018-111, declaring the results of the special election for Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona on the proposition of the annual levy of special taxes within the territory proposed to be annexed (Annexation No. 7).

**RECOMMENDED ACTION:**

That the City Council:

1. Adopt Resolution No. 2018-110 calling special election and submitting to the qualified electors of territory proposed to be annexed to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona the question of levying special taxes within the territory proposed to be annexed (Annexation No. 7).
2. Adopt Resolution No. 2018-111 declaring the results of the special election for Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona on the proposition of the annual levy of special taxes within the territory proposed to be annexed to said Community Facilities District to pay the costs of certain services to be provided by the Community Facilities District, determining that the territory proposed to be annexed is added to and part of said Community Facilities District with full legal effect (Annexation No. 7).

**ANALYSIS:**

On September 5, 2018, the City Council adopted Resolution No. 2018-093, a Resolution of Intention to annex territory to the Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona and commence the annexation proceedings for the territory to be annexed, also known as Annexation No. 7. A public hearing was set for October 17, 2018 to conduct an election for the landowners and to declare the results of that election.

The Resolution of Intention was adopted by the City Council in response to a petition filed by Karen Parker, property owner of 2.99 acres identified as Assessor's Parcel Number 113-140-009 ("Property") within the City, requesting that the City annex into CFD No. 2016-3 (Maintenance Services) to cover the costs associated with the maintenance of public improvements. The improvements proposed to be maintained include items such as landscaping and lighting, street sweeping, and pavement management.

As required by the Resolution of Intention, a boundary map of the territory proposed to be annexed was recorded on September 12, 2018, as Document No. 2018-0366312 with the Riverside County Recorder. The area proposed within Annexation No. 7 will encompass 5 residential units on 2.99 gross acres. The tract proposed to be annexed into CFD No. 2016-3 will be included in Tax Zone 8. This tax rate includes a Maximum Special Tax A of \$715 per residential unit, per year, for the maintenance of public facilities. There are no services being funded by the levy of Special Tax B for contingent services. The Maximum Special Taxes are proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%.

Karen Parker has agreed to the annexation into the CFD and submitted a "Consent and Waiver" form on file in the City Clerk's Office, to initiate and conduct proceedings pursuant to the Mello-Roos Act of 1982, for the annexation of the Property to CFD No. 2016-3 (Maintenance Services) and consenting to the shortening of election time requirements, waiving analysis and arguments, and waiving all notice requirements relating to the conduct of the election immediately following the public hearing scheduled for October 17, 2018.

Resolution No. 2018-110 calls for a special election on the proposition of the annual levy of special taxes on the Property to pay for the services described above. Resolution No. 2018-111 declares the results of the special election and adds the Property to CFD 2016-3.

Should these resolutions be approved, the Property will be added to and made a part of CFD 2016-3 with full legal effect and, upon recordation of a Notice of Special Tax Lien against the Property, special taxes may be levied against the Subject Parcels commencing in Fiscal Year 2019-20.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

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. If the anticipated costs of maintaining the facilities in any given Fiscal Year, prior to buildout of the project, exceeds the special tax revenues available from parcels for which building permits have been issued, then the special tax may also be on property with recorded final subdivision maps, as well as other undeveloped property.

The residential development will be assessed in accordance with the Rate and Method of Apportionment Special Tax A set forth in Exhibit "B" to Resolution No. 2018-093, the proposed total maximum assessment rate for Tax Zone 8 for Special Tax A is \$715 per unit per year. The assessment rate is proposed to escalate on July 1 of each year at the greater of Consumer Price

Index (CPI) or 2%. The new residential property will generate a special annual tax of approximately \$3,572 for maintenance services. The total annexation cost was borne by the property owner, which includes the City Attorney fees, assessment engineer fees, publication, and City staff time.

**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 2016-3 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:** 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

**RESOLUTION NO. 2018-110**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CORONA CALLING SPECIAL ELECTION AND  
SUBMITTING TO THE QUALIFIED ELECTORS OF  
TERRITORY PROPOSED TO BE ANNEXED TO  
COMMUNITY FACILITIES DISTRICT NO. 2016-3  
(MAINTENANCE SERVICES) OF THE CITY OF CORONA  
THE QUESTION OF LEVYING SPECIAL TAXES WITHIN  
THE TERRITORY PROPOSED TO BE ANNEXED  
(ANNEXATION NO. 7)**

**WHEREAS**, the City Council (the “City Council”) of City of Corona (the “City”) has heretofore conducted proceedings for the establishment of and has established Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, County of Riverside, State of California (the “Community Facilities District”), and the Community Facilities District has been authorized to annually levy special taxes to pay the costs of the maintenance of public landscaping, public open spaces and other similar landscaped areas officially dedicated for public use, including, but not limited to, maintenance and lighting of parks, parkways, streets, roads and open space, maintenance and operation of water quality improvements and storm drainage systems, and public street sweeping, within the Community Facilities District and in the surrounding area and the costs associated with the determination of the amount of and levy and collection of special taxes which will be levied to provide the services and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District.

**WHEREAS**, the City Council has been advised that the owners of approximately 2.99 gross acres of land wish to have their land included within the boundaries of the Community Facilities District and have requested that such land be annexed thereto; and

**WHEREAS**, the City Council is authorized by Article 3.5 (commencing with Section 53339) of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982,” to annex such land to the Community Facilities District; and

**WHEREAS**, on September 5, 2018 the City Council adopted Resolution No. 2018-093, a resolution of intention to annex the Property to the Community Facilities District pursuant to Section 53339.2 of the California Government Code, determining that the public convenience and necessity require that said Property be annexed to the Community Facilities District and containing all of the matters prescribed by Section 53339.3 of said Code, and fixing 6:30 p.m. on October 17, 2018 in the Council Chambers of the City Council, 400 South Vicentia, Corona, California, as the time and place for a hearing upon said resolution; and

**WHEREAS**, pursuant to said resolution, the City Clerk has published and mailed notice of the time and place of said hearing as required by Section 53339.4 of said Code; and

**WHEREAS**, on October 17, 2018, at the time and place of said hearing, the City Council afforded all interested persons for or against the annexation of the Property to the Community Facilities District an opportunity to present testimony and to protest against the proposed annexation of said Property to the Community Facilities District, and no protests, either oral or in writing, were received; and

**WHEREAS**, pursuant to Section 53339.7 of said Code, the City Council may now submit the question of levying a special tax within the area proposed to be annexed to the Community Facilities District to the qualified electors within said territory.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF CORONA AS FOLLOWS:**

**SECTION 1. Findings.** The City Council finds that: (i) the foregoing recitals are correct; (ii) less than 12 persons have been registered to vote within the territory proposed to be annexed to the Community Facilities District during the 90 days preceding the close of the public hearing on October 17, 2018, and no persons are registered to vote therein; (iii) pursuant to Section 53326 of the California Government Code, as a result of the findings set forth in clause (ii) above, the vote in the special election called by this resolution shall be by the landowners of the territory proposed to be annexed to the Community Facilities District whose property would be subject to the special taxes if they were levied at the time of the election, and each landowner shall have one vote for each acre, or portion thereof, which he or she owns within said territory which would be subject to the proposed special taxes if they were levied at the time of the election; (iv) Karen Parker, the owner of all of the territory proposed to be annexed to the Community Facilities District, has by written consent (a) waived the time limits set forth in said Section 53326 for holding the election called by this resolution, (b) consented to the holding of said election on October 17, 2018, (c) waived notice and mailed notice of the time and date of said election, and (d) waived an impartial analysis by the City Attorney of the ballot proposition pursuant to Section 9280 of the California Elections Code, mailing of a statement pursuant to Section 9401 of said Code, and arguments and rebuttals pursuant to Sections 9281 to 9287, inclusive, and 9295 of said Code; and (vi) the City Clerk has consented to the holding of said election on October 17, 2018 or any other date that is acceptable to the City Clerk.

**SECTION 2. Special Election.** A special election is called for and shall be held on Wednesday, October 17, 2018, for the purpose of submitting to the qualified electors of the territory proposed to be annexed to the Community Facilities District the question of whether special taxes shall annually be levied within said territory to pay the costs of the maintenance of public landscaping, public open spaces and other similar landscaped areas officially dedicated for public use, including, but not limited to, maintenance and lighting of parks, parkways, streets, roads and open space, maintenance and operation of water quality improvements and storm drainage systems, and public street sweeping, within the Community Facilities District and in the surrounding area, and the costs associated with the determination of the amount of and levy and collection of special taxes which will be levied to provide the services and costs otherwise incurred

in order to carry out the authorized purposes of the Community Facilities District pursuant to the Rates and Method of Apportionment of the Special Taxes, attached as Exhibit “B” to Resolution No. 2018-093.

**SECTION 3. Ballot Proposition.** The proposition to be submitted on October 17, 2018, to the qualified electors of the territory proposed to be annexed to the Community Facilities District shall be as follows:

Shall special taxes be levied annually on taxable property within the territory proposed to be annexed to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, County of Riverside, State of California (i) to pay the annual costs of maintaining, servicing, cleaning, repairing and/or replacing landscaped areas (may include reserves for replacement) in public street right-of-way, public landscaping, public open spaces and other similar landscaped areas officially dedicated for public use, including, but not limited to, maintenance and lighting of parks, parkways, streets, roads and open space, maintenance and operation of water quality improvements and storm drainage systems, and public street sweeping, within and in the area of the community facilities district, to pay expenses incidental thereto and (ii) to pay costs associated with the determination of the amount of and the levy and collection of the special taxes, at the special tax rates and pursuant to the method of apportioning such special taxes set forth in Exhibit "B" to Resolution No. 2018-093 adopted by the City Council of the City of Corona on September 5, 2018?

**SECTION 4. Conduct of Election.** Except as otherwise provided in Section 5 hereof, said election shall be conducted by the City Clerk (the “City Clerk”) pursuant to the provisions of the California Elections Code governing elections of cities, and the provisions of Division 4 (commencing with Section 4000) of said Code, insofar as they may be applicable.

**SECTION 5. Election Procedures.** The procedures to be followed in conducting said election shall be as follows:

(a) Pursuant to Section 53326 of the California Government Code, ballots for the election shall be distributed to the qualified electors by the City Clerk by mail with return postage prepaid.

(b) Pursuant to applicable sections of the aforementioned provisions of the California Elections Code governing the conduct of mail ballot elections, including in particular Division 4 (commencing with Section 4000) of said Code, the City Clerk shall mail to each qualified elector an official ballot in the form attached hereto as Exhibit “A,” and shall also mail to all such qualified electors a ballot pamphlet and instructions to voter, including a sample ballot identical in form to the official ballot but identified as a sample ballot, a return identification envelope with prepaid postage thereon addressed to the City Clerk for the return of voted official ballots, and copies of Resolution No. 2018-093.

(c) The official ballot to be mailed by the City Clerk to each landowner-voter shall have printed or typed thereon the name of the landowner-voter and the number of votes to be voted by the landowner-voter and shall have appended to it a certification to be signed by the person voting the official ballot which shall certify that the person signing the certification is the person who voted the official ballot, and if the landowner-voter is other than a natural person, that he or she is an officer of or other person affiliated with the landowner-voter entitled to vote such official ballot, that he or she has been authorized to vote such official ballot on behalf of the landowner-voter, that in voting such official ballot it was his or her intent, as well as the intent of the landowner-voter, to vote all votes to which the landowner-voter is entitled based on its land ownership on the proposition set forth in the official ballot as marked thereon in the voting square opposite such proposition, and further certifying as to the acreage of the landowner-voter's land ownership within the Community Facilities District.

(d) The return identification envelope delivered by the City Clerk to each landowner-voter shall have printed or typed thereon the following: the name of the landowner, the address of the landowner, a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, the printed name and signature of the voter, the address of the voter, the date of signing and place of execution of said declaration, and a notice that the envelope contains an official ballot and is to be opened only by the City Clerk.

(e) The information-to-voter form to be mailed by the City Clerk to the landowner-voters shall inform them that the official ballots shall be returned to the City Clerk properly voted as provided thereon and with the certification appended thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted by 5 o'clock p.m. on the date of the election.

(f) Upon receipt of the return identification envelopes which are returned prior to the voting deadline on the date of the election, the City Clerk shall canvass the votes cast in the election, and shall file a statement with the City Council at its next regular meeting as to the results of such canvass and the election on the proposition set forth in the official ballot.

**PASSED, APPROVED AND ADOPTED** this 17<sup>th</sup> day of October 2018.

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Mayor of the City of Corona, California

**ATTEST:**

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City Clerk of the City of Corona, California



**EXHIBIT "A"**

**OFFICIAL BALLOT**

**SPECIAL ELECTION FOR  
COMMUNITY FACILITIES DISTRICT NO. 2016-3  
(MAINTENANCE SERVICES)  
OF THE CITY OF CORONA  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA  
(ANNEXATION NO. 7)**

October 17, 2018

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Corona and obtain another.

**PROPOSITION A:** Shall special taxes be levied annually on taxable property within the territory proposed to be annexed to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, County of Riverside, State of California, (i) to pay the annual costs of maintaining, servicing, cleaning, repairing and/or replacing landscaped areas (may include reserves for replacement) in public street right-of-way, public landscaping, public open spaces and other similar landscaped areas officially dedicated for public use, including, but not limited to, maintenance and lighting of parks, parkways, streets, roads and open space, maintenance and operation of water quality improvements and storm drainage systems, and public street sweeping, within and in the area of the community facilities district, to pay expenses incidental thereto and (ii) to pay costs associated with the determination of the amount of and the levy and collection of the special taxes, at the special tax rates and pursuant to the method of apportioning such

special taxes set forth in Exhibit "B" to Resolution No. 2018-093 adopted by the City Council of the City of Corona on September 5, 2018?

YES	
NO	

**CERTIFICATION**

I, SYLVIA EDWARDS, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly introduced and adopted at a regular meeting of the City Council of the City of Corona, California, thereof held on the 17th day of October 2018, by the following vote of the Council:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of Corona, California, this 17th day of October 2018.

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City Clerk of the City of Corona, California

(SEAL)

## **RESOLUTION NO. 2018-111**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONA DECLARING THE RESULTS OF THE SPECIAL ELECTION FOR COMMUNITY FACILITIES DISTRICT NO. 2016-3 (MAINTENANCE SERVICES) OF THE CITY OF CORONA ON THE PROPOSITION OF THE ANNUAL LEVY OF SPECIAL TAXES WITHIN THE TERRITORY PROPOSED TO BE ANNEXED TO SAID COMMUNITY FACILITIES DISTRICT TO PAY THE COSTS OF CERTAIN SERVICES TO BE PROVIDED BY THE COMMUNITY FACILITIES DISTRICT, DETERMINING THAT THE TERRITORY PROPOSED TO BE ANNEXED IS ADDED TO AND PART OF SAID COMMUNITY FACILITIES DISTRICT WITH FULL LEGAL EFFECT (ANNEXATION NO. 7)**

**WHEREAS**, the City Council (the "City Council") of the City of Corona (the "City") has heretofore conducted proceedings for the annexation of approximately 2.99 gross acres of land to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, County of Riverside, State of California (the "Community Facilities District"), including conducting a public hearing pursuant to Section 53339.5 of the Government Code; and

**WHEREAS**, at the conclusion of said public hearing, the City Council adopted a resolution calling a special election for October 17, 2018 and submitting to the qualified electors of the territory to be annexed to the Community Facilities District the question of levying special taxes within that territory to pay the costs of the maintenance of public landscaping, public open spaces and other similar landscaped areas officially dedicated for public use, including, but not limited to, maintenance and lighting of parks, parkways, streets, roads and open space, maintenance and operation of water quality improvements and storm drainage systems, and public street sweeping, within the Community Facilities District and in the surrounding area and the costs associated with the determination of the amount of and levy and collection of special taxes which will be levied to provide the services and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District (the "Election Resolution"); and

**WHEREAS**, the City Council has received a statement from the City Clerk (the "City Clerk"), who, pursuant to the Election Resolution, was authorized to conduct such special election and act as the election official therefor, with respect to the canvass of the ballots returned in and the results of said special election, certifying that at least two-thirds of the votes cast upon the proposition submitted to the qualified electors in said special election were in favor of such proposition.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED  
BY THE CITY COUNCIL OF THE CITY OF CORONA AS FOLLOWS:**

**SECTION 1. Findings.** The City Council finds that: (i) there were no registered voters residing within the territory proposed to be annexed to the Community Facilities District (the "Territory") at the time of the close of the public hearing on October 17, 2018, and pursuant to Section 53326 of the Government Code, the vote in said special election was, therefore, to be by the landowners owning land within the Territory, with each landowner having one vote for each acre or portion thereof of land that he or she owns within the Territory; (ii) pursuant to said Section 53326 and the Election Resolution, the City Clerk distributed the official ballot for the special election to Karen Parker, the owner of all of the land within the Territory, with return postage prepaid; (iii) said landowner waived the time limits for holding the special election and the election dates specified in said Section 53326, and consented to the calling and holding of said special election on October 17, 2018; (iv) said special election has been properly conducted in accordance with all statutory requirements and the provisions of the Election Resolution; (v) pursuant to said Section 53326, the owner of all of the land within the Territory, who owns 2.99 gross acres, was entitled to 3 votes; (vi) said landowner returned their ballots to the City Clerk prior to the time set by the City Clerk for the close of the election on October 17, 2018; (vii) the ballots returned to the City Clerk by said landowner voted all votes of said landowner in favor of the proposition set forth therein; (viii) at least two-thirds of the votes cast in such special election on said proposition were in favor thereof, and pursuant to Sections 53328 and 53329 of the Government Code, said proposition carried; (ix) pursuant to Section 53339.8 of the Government Code, the City Council is authorized to determine that the Territory to be annexed has been added to and become a part of the Community Facilities District with full legal effect; and (x) the City Council is also authorized, pursuant to said Section 53339.8, to annually levy special taxes within the Territory to pay the costs of the services to be provided by the Community Facilities District.

**SECTION 2. Declaration of Results.** All votes voted in the special election on the proposition of the annual levy of special taxes within the Territory to pay the costs of the services to be provided by the Community Facilities District were voted in favor thereof, and such proposition carried.

**SECTION 3. Annexation.** The Territory is annexed and added to and is a part of the Community Facilities District with full legal effect, and the City Council shall annually levy special taxes within the Territory, as specified in Resolution No. 2018-093 adopted by the City Council on September 5, 2018, to pay costs of certain services to be provided by the Community Facilities District. The boundaries of the Territory are shown on the map entitled, Annexation Map No. 7, Community Facilities District No. 2016-3 (Maintenance Services), City of Corona, County of Riverside, State of California, which was recorded on September 12, 2018 in the office of the County Recorder of the County of Riverside as Instrument No. 2018-0366312.

**SECTION 4.** Pursuant to Section 53339.8 of the Government Code and Section 3117.5 of the Streets and Highways Code, the City Clerk shall cause to be filed with the County

Recorder of the County of Riverside an amendment of the notice of special tax lien and a map of the amended boundaries of the Community Facilities District including the Territory.

**PASSED, APPROVED AND ADOPTED** this 17th day of October 2018.

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Mayor of the City of Corona, California

**ATTEST:**

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City Clerk of the City of Corona, California

**CERTIFICATION**

I, SYLVIA EDWARDS, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly introduced and adopted at a regular meeting of the City Council of the City of Corona, California, thereof held on the 17th day of October 2018, by the following vote of the Council:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of Corona, California, this 17th day of October 2018.

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City Clerk of the City of Corona, California

(SEAL)