



## Agenda Report

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**File #:** 19-0644

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

**DATE:** 7/17/2019

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

**FROM:** Administrative Services Department

**SUBJECT:**

City Council consideration of Resolution No. 2019-072 levying special taxes to be collected during Fiscal Year 2019-20 for the payment of the annual cost of the operation and maintenance of parkways and open space within Community Facilities District No. 2002-3.

**RECOMMENDED ACTION:**

That the City Council adopt Resolution No. 2019-072 levying special taxes to be collected during Fiscal Year 2019-20 for the payment of the annual cost of the operation and maintenance of parkways and open space within Community Facilities District No. 2002-3.

**ANALYSIS:**

It is necessary that the City Council levy special taxes for the payment of annual costs associated with the operation and maintenance of parkways, medians, and open space, including street trees and landscaping within Community Facilities District No. 2002-3 (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 (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.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

This item supports the City's Strategic Plan Goal 6: Improve Communications with Our Community; Objective a: Commit to transparency in all City actions. The recommended action will help achieve these goals by providing concise, forthright information regarding the annual special taxes that will be levied on each subject parcel within the District.

**FISCAL IMPACT:**

The following is a summary of the FY 2019-20 budgeted revenues and expenditures for the District:

District	Estimated Operating Costs	Estimated Assessments	Estimated Deficit	Percentage of Maximum Tax	Average Change per Benefit Unit
CFD 2002-3	\$27,897	\$17,219	(\$10,678)	31.37%	0%

Due to the excess balance in the District's reserve account, the assessment rates in Fiscal Year 2019-20 remain the same as in Fiscal Year 2018-19 and the estimated operating deficit will be drawn from reserve account. Pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), an adequate amount is retained in the reserve account to maintain the financial stability of the District.

**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 activity in question may have a significant effect on the environment, the action is not subject to CEQA. This action merely sets the special taxes to be levied and collected within the District for Fiscal Year 2019-20, and there is no possibility that adopting the resolution will have a significant effect on the environment.

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

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

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

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

**SUBMITTED BY:** MITCHELL LANSDELL, ACTING CITY MANAGER

**Attachments:**

1. District Map
2. Resolution No. 2019-072