



Agenda Report

File #: 20-0650

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 08/05/2020

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

SUBJECT:

Public Hearing for City Council consideration of Resolution No. 2020-102, calling special election and Resolution No. 2020-103, 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. 16).

RECOMMENDED ACTION:

That the City Council:

- a. Adopt Resolution No. 2020-102 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. 16).
- b. Adopt Resolution No. 2020-103 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. 16).

ANALYSIS:

On July 1, 2020, the City Council adopted Resolution No. 2020-055, a Resolution of Intention to annex territory to the Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona ("CFD No. 2016-3") and commence the annexation proceedings for the territory to be annexed, also shown as Annexation No. 16. A public hearing was set for August 5, 2020 to conduct an election for the landowners and to declare the results of that election.

As required by the Resolution of Intention, an annexation map was recorded on July 8, 2020, at 8:25 a.m. in Book 85 Page 44, Document No. 2020-0296754 and the potential annexation area boundary map was recorded on November 7, 2016, at 4:40 p.m. in Book 80 Page 23, Document No. 2016-0494013 of Maps of Assessment and Community Facilities Districts with the Riverside County Recorder.

The Resolution of Intention was adopted by the City Council in response to the petition filed by Corona Regional Medical Center, LLC, property owner of TR 37565 within the City, has requested that the City assist them in annexing territory into CFD No. 2016-3 to cover the costs associated with the maintenance of public improvements. The improvements proposed to be maintained include items such as landscaping, street lighting, street sweeping, pavement management, and drainage.

The area proposed within Annexation No. 16 will encompass a development comprised of several vacant commercial lots totaling 3.48 net acres ("Property"). The development proposes to construct a Medical Center. The Property proposed to be annexed into CFD No. 2016-3 will be included in Tax Zone 17. This tax rate includes a Maximum Special Tax A of \$4,459 per acre per year for maintenance services 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%. The property owners have agreed to the annexation into the CFD and submitted an "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, requesting the annexation of property to CFD No. 2016-3 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 August 5, 2020.

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 proposed total maximum assessment rate for Tax Zone 17 for Special Tax A is \$15,517 per year. The assessment rate is proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%.

The new commercial property will generate a special annual tax of approximately \$15,517 for Fiscal Year 2021. The total annexation cost was provided by the developer, which includes the City Attorney fees, Consultants, 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 CFD No. 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: LIEN-CHI CANTUBA, FINANCIAL ANALYST III

REVIEWED BY: JENNIFER SCHAEFER, FINANCE MANAGER III

REVIEWED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. CFD No. 2016-3 Annexation No. 16 Project Map
2. CFD No. 2016-3 Annexation No. 16 Recorded Boundary Map
3. Resolution No. 2020-102
4. Resolution No. 2020-103