



Legislation Details (With Text)

File #: 21-0654 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 6/23/2021 **In control:** City Council
On agenda: 7/7/2021 **Final action:** 7/7/2021
Title: Resolution levying special taxes to be collected during Fiscal Year 2022 for Community Facilities District No. 97-2 (Eagle Glen), Special Tax Refunding Bond 2014 Series A.
Sponsors:
Indexes:
Code sections:
Attachments: 1. Staff Report, 2. Exhibit 1 - Boundary Map for Resolution No. 2021-065, 3. Exhibit 2 - Resolution No. 2021-065

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------|--------|
| 7/7/2021 | 1 | City Council | approved | |

REQUEST FOR CITY COUNCIL ACTION

DATE: 07/07/2021

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

Resolution levying special taxes to be collected during Fiscal Year 2022 for Community Facilities District No. 97-2 (Eagle Glen), Special Tax Refunding Bond 2014 Series A.

EXECUTIVE SUMMARY:

Adoption of the recommended resolution will allow the City to levy and collect Fiscal Year 2022 special taxes for the District.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2021-065, levying special taxes to be collected during Fiscal Year 2022 for the payment of the principal and interest on the outstanding bond of Community Facilities District No. 97-2 (Eagle Glen), Special Tax Refunding Bond 2014 Series A and the administrative expenses with respect to the bond.

BACKGROUND & HISTORY:

Pursuant to the Mello-Roos Community Facilities Act of 1982, Community Facilities District No. 97-2 ("District") was formed to finance the construction and acquisition of public improvements and

facilities within the District.

ANALYSIS:

The City has covenanted for the benefit of the owners of the bonds to fix and levy the amount of the special taxes within the District required for the payment of the principal and interest on the bond becoming due and payable during the ensuing year. Any necessary replenishment or expenditure of the Reserve Fund and any amount estimated to be sufficient to pay administrative expenses during the year are also included in the levy. The special taxes levied will not exceed the authorized amounts as provided in the Rate and Method of Apportionments (the "RMA") for the District.

A summary of the special tax levy for the District is shown below:

| <u>CFD Issue</u> | <u>Final Bond Year</u> | <u>No. of Parcels</u> | <u>FY 2022 Total Levy</u> | <u>Percentage of Assigned Tax</u> | <u>YOY % Change in Levy Rate</u> |
|------------------|------------------------|-----------------------|---------------------------|-----------------------------------|----------------------------------|
| CFD No. 97-2 | 2023 | 1,091 | \$ 1,185,765 | 69.27% | -2.86% |

As shown in the "YOY % Change in Levy Rate" column, the proposed levy rate in Fiscal Year 2022 for the District will decrease by 2.86% compared to Fiscal Year 2021.

The Assigned Tax rates in the RMA, which were set at the District's formation, are the maximum allowable assessment rates for each property category in the District. This District's bonds were refunded in Fiscal Year 2014 as a result of interest rate savings and the special tax rates levied were able to be reduced, passing the savings to the property owners in the District. In anticipation of the District's maturing in Fiscal Year 2024, an additional credit was applied to the FY 2022 budget from available surplus funds further reducing the special taxes levied on properties within the District.

FINANCIAL IMPACT:

The special tax revenues and related debt service and administration expenditures are included in the District's Fiscal Year 2022 budgets. Expenditures in FY 2022 are being recovered in full.

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 2022, 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: LIEN-CHI CANTUBA, FINANCIAL ANALYST III

REVIEWED BY: KIM SITTON, FINANCE DIRECTOR

Attachments:

1. Exhibit 1 - Boundary Map for Resolution No. 2021-065
2. Exhibit 2 - Resolution No. 2021-065