File #: 19-0445, **Version:** 1

AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION

DATE: 5/15/2019

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

SUBJECT:
Public Hearing for City Council consideration of Resolution No. 2019-020, calling special election and Resolution No. 2019-021, 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. 10).

RECOMMENDED ACTION:
That the City Council:

1. Adopt Resolution No. 2019-020 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. 10).

2. Adopt Resolution No. 2019-021 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. 10).

ANALYSIS:
On April 3, 2019, the City Council adopted Resolution No. 2019-008, 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. 10. A public hearing was set for May 15, 2019 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 April 10, 2019, at 2:50 p.m. in Book 83 Page 71, Document No. 2019-0121272 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 petitions filed by David Arnold, authorized agent of 15.27 acres included as Assessor's Parcel Number 102-320-015 within the City. He has requested the City's assistance 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 and lighting, park maintenance, and graffiti abatement.

The area proposed within Annexation No. 10 will encompass twelve new detached single-family residential units on 3.95 net acres. The tract proposed to be annexed into CFD No. 2016-3 will be included in Tax Zone 11. This tax rate includes a Maximum Special Tax A of $315 per residential unit, per year, for the maintenance of public facilities and $84 per unit per year for Maximum Special Tax B (Contingent) for services currently maintained by a homeowner association. The Maximum Special Taxes are proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%.

MVV, LP, have agreed to the annexation into the CFD No. 2016-3 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 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 May 15, 2019.

Resolution No. 2019-020 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. 2019-021 declares the results of the special election and adds the Property to CFD No. 2016-3.

Should these resolutions be approved, the Property will be added to and made a part of CFD No. 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 Property 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. 2019-008, the proposed total maximum assessment rate for Tax Zone 11 for Special Tax A is $315 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 $3,780 for maintenance services when Property is fully developed as planned. 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 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: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, ACTING CITY MANAGER

Attachments:

CFD No. 2016-3 Annexation No. 10 Project Map and Recorded Boundary Map