



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager

Prepared by: Jason Simpson, Assistant City Manager

Date: July 25, 2017

Subject: Public Hearing and Election for Change Proceedings for Community Facilities District (CFD) No. 2007-4 (Makenna Court)

Recommendation

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2007-4 (MAKENNA COURT) APPROVING A SECOND AMENDMENT TO THE RATE AND METHOD OF APPORTIONMENT, AND CALLING AN ELECTION THEREIN; and,

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2007-4 (MAKENNA COURT), CERTIFYING THE RESULTS OF THE JULY 25, 2017 SPECIAL ELECTION; and,

Introduce by title only and waive further reading of AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2007-4 (MAKENNA COURT) AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SUCH DISTRICT

Background

The City of Lake Elsinore (City) formed the City CFD No. 2007-4 (MaKenna Court) (District) in 2007 pursuant to the Mello-Roos CFD Act of 1982. The District consists of Tract No. 33846 and is located south of Lakeshore Drive, west of Machado, east of Terra Cotta Road and North of Ziegler Drive. In 2016, pursuant to the request of the then-owner of all the property within the District, the City Council (Council), acting as the legislative body of the District, undertook change proceedings for the District to amend the Rate and Method of apportionment of the special tax for the District, increase the amount of bonded indebtedness for the District and to add certain services to be provided by the District. The property within the District was conveyed by such former owner to Western Pacific Housing, Inc., the current landowner within the District (Developer). The development within the District is expected to include approximately 81 single family homes at build-out.

Due to revisions in the proposed product mix within the District, the Developer has requested that the District undertake proceedings to further amend the current Rate and Method of apportionment of special taxes with the Second Amended Rate and Method of Apportionment of Special Taxes (Second Amended RMA). If approved, the Second Amended RMA will reduce the special tax rates to be levied within the District from those currently in effect. The current special tax rates range from \$2,272 to \$3,132 and will be reduced to range from \$2,030 to \$2,330 per single family home.

On June 13, 2017, the Council adopted Resolution No. 2017-068 stating its intention to consider approval of the Second Amended RMA and called for a Public Hearing to be held on the Changes.

Documents to be Approved

Following the Public Hearing to be held, approval of the first resolution will call for an election to be held with respect to the approval of the Second Amended RMA. The City has received a certificate of the Registrar of Voters certifying that there are less than 12 Registered Voters residing within the District during the 90 days prior to the time of the public hearing. Accordingly, the election to be held will be a landowner election pursuant to which the landowners are the sole eligible voters within the District. The Developer has also executed a consent and waiver to certain election law requirements allowing the election to be conducted immediately following the public hearing.

Following the holding of the election, the Council will be asked to certify the election results and assuming approval of the Second Amended RMA, introduce the Ordinance authorizing the levy of the special tax in accordance with the Second Amended RMA.

Fiscal Impact

The Developer has made a deposit to pay for the costs of the change proceedings. The Developer will be reimbursed for such costs if and when bonds are issued for the District.

The District will annually levy special taxes on all of the taxable property within the District in accordance with the Second Amended RMA in order to pay for the costs of facilities, debt service on bonds, the services and administration of the District. Any bonds issued by the District are not obligations of the City and will be secured solely by the Special Taxes levied in the District.

Exhibits:

- A Resolution-Approving a Second Amendment to Rate and Method
- B Resolution -Certifying the Results of Special Election
- C Ordinance-Authorizing the Levy of a Special Tax
- D Certificate of Registrar of Voters