



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 9, 2019

Subject: Lake Elsinore Community Facilities District No. 2015-1 (Safety Services)
Declaring Its Intention to Consider Annexing Territory Tract No. 37305.
Annexation No. 6

Recommendation

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2015-1 OF THE CITY OF LAKE ELSINORE (SAFETY SERVICES), DECLARING ITS INTENTION TO CONSIDER ANNEXING TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2015-1 OF THE CITY OF LAKE ELSINORE (SAFETY SERVICES)

Background

In 2016, the City formed Community Facilities District No. 2015-1 of the City of Lake Elsinore (Safety Services) ("Community Facilities District No. 2015-1" or the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"). The District is authorized to levy a special tax within its boundaries to provide, among others, police protection services, fire protection and suppression services, and paramedic services.

Nichols Rd. Partners, LLC, owns 70.15 gross acres of mixed use property proposed to include approximately 12 acres of commercial property and 168 detached single family residential properties within the City (TR 37305) has requested that the City assist them in annexing territory into CFD No. 2015-1 (Safety Services) to cover the costs associated with safety services. The commercial property is not subject to the Special Tax.

The landowner has advised the City that the area described in Exhibit "B" of the Resolution of Intention to be annexed into CFD No. 2015-1 and that a Rate and Method of Apportionment of the special taxes to be levied as described in Exhibit "C".

The original area proposed within Annexation No. 6 will encompass 168 residential properties. The territory proposed to be annexed into CFD No. 2015-1 consist of Assessor's Parcel Numbers 389-200-038, 389-210-008, 389-210-032, 389-210-034, and 389-210-036. The

proposed total maximum tax rate is \$771 per unit per year. Annual Special Tax rate is proposed to escalate each year at the greater of Consumer Price Index (CPI) or 4%.

The City has agreed to the annexation into the CFD and Nichols Rd. Partners, LLC has 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, requesting the annexation of property to CFD No. 2015-1 (Safety Services) 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.

The next step to annex the property to CFD No. 2015-1 is to publish a notification of the proposed district along with the "Resolution of Intention" and Boundary Map of the proposed Annexation area. A public hearing on the matter will take place on August 13, 2019 and at that time the Council will formally consider approval of Annexation No. 6.

Fiscal Impact

The Developer has made a deposit to pay for the costs of the Annexation.

The Annexation will result in property owners paying a tax of \$771 per unit for single family property.

Exhibits

A-Resolution of Intent

A1-Resolution Exhibits A-G

B-Project Map