



## **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: August 13, 2019**

**Subject: Public Hearing and Election for Annexation Proceedings for Annexation No. 6 Into Community Facilities District No. 2015-2 (Maintenance Services) for Westlake**

### **Recommendation**

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, CALLING AN ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS THE QUESTION OF LEVYING A SPECIAL TAX WITHIN THE AREA PROPOSED TO BE ANNEXED TO COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) (ANNEXATION NO. 6); and,

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, DECLARING ELECTION RESULTS FOR COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) (ANNEXATION NO. 6)

### **Background and Discussion**

On June 25, the City Council adopted Resolution No. 2019-057, declaring its intention to annex territory to Community Facilities District No. 2015-2 (Maintenance Services) and commence the annexation proceedings for the territory to be annexed, also known as Annexation No. 6. A public hearing was set for August 13, 2019. Following such public hearing, if there is no majority protest against the annexation and the levy of the special tax, the City Clerk will 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 3, 2019, at 2:16 p.m. in Book 83, Page 97, Document No. 2019-0244990 of Maps of Assessment and Community Facilities Districts with the Riverside County Recorder.

The applicant for the development of Westlake is Pardee Homes, LLC (the "Applicant"). The Resolution of Intention was adopted by the City Council in response to a request by the Applicant for the City to assist them in annexing territory into CFD No. 2015-2 (Maintenance Services) to cover the costs associated with the maintenance of public improvements. The improvements proposed to be maintained include items such as landscaping and lighting, water quality

improvements, street maintenance and graffiti abatement. Pardee Homes, LLC is the current owner of the property and has agreed to the annexation into the CFD 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, requesting the annexation of property to CFD No. 2015-2 (Maintenance 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 original area proposed within Annexation No. 6 will encompass one parcel, Assessor's Parcel Numbers 379-050-006 and 397-050-034, including 163 detached single-family residential condominiums and will be establishing Tax Zone 7 of CFD No. 2015-2. The proposed total maximum tax rate for Tax Zone 7 is \$406 per unit per year for maintenance services of public facilities. This tax rate includes a Maximum Special Tax A of \$350 per unit per year for maintenance services of public facilities and a Maximum Annual Special Tax B of \$56 per unit per year (POA Contingent). Special Tax B is for the maintenance and operation of the improvements described in Exhibit "B" attached hereto. If the POA were to default of its obligation to maintain such improvements, the City would be able to collect funds to pay for those services. Annual Special Tax B rate is proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%.

### **Fiscal Impact**

On March 1 of each year, every taxable property 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 undeveloped property within the Tax Zone.

Once developed, the Special Tax A for Tax Zone 7 will generate \$56,924 for maintenance services.

### **Exhibits**

A – Reso. Calling an Election

A1- Rate and Method of Apportionment

A2 - Ballot

B – Reso. Election Results

B1 - Certificate of Election Results

C - Certificate of Registrar of Voters

D – Project Map