



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: May 12, 2020

Subject: Community Facilities District (CFD) No. 2015-1 (Safety Services) Declaring its Intention to Consider Annexing Territory to City of Lake Elsinore Community Facilities District No. 2015-1 (Safety Services)

Recommendation

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

Background

The City of Lake Elsinore (the "City") formed the City of Lake Elsinore Community Facilities District No. 2006-4 (Tracts 30689 & 32129) (the "District") in 2006 pursuant to the Mello-Roos Community Facilities District Act of 1982. The District is located north of Rosetta Canyon Drive, to the east of the Rosetta Canyon Sports Park and south of Highway 74. The land within the District is owned by the Donald S. Clurman Separate Property Trust, Three Strands Properties and Spectrum Communities LLC (collectively, the "Developer"). The development within the District is expected to include approximately 178 single family homes at build-out.

While the District was formed in 2006, homebuilding has not yet commenced. Due to revisions in the proposed product mix within the District, the Developer has requested that the District undertake proceedings to, among other changes, amend the current rate and method of apportionment of special taxes with the Amended Rate and Method of Apportionment of Special Taxes. In connection therewith, the Developer has agreed to annex its property into CFD 2015-1 (Safety Services) (the "Annexation"). The property is currently in City of Lake Elsinore Community Facilities District No. 2003-1 (Law Enforcement, Fire and Paramedic Services) ("CFD 2003-1"). In connection with the Annexation, the City will cancel the existing special tax lien of CFD 2003-1 on the property within the District. Adoption of the attached resolution is the first step in annexing the property to CFD 2015-1 and sets a public hearing on the Annexation for June 23, 2020.

Documents to be Approved

Approval of the attached resolution sets a public hearing on the Annexation of the property to CFD 2015-1 for June 23, 2020

Fiscal Impact

The Developer has made a deposit to pay for the costs of the change proceedings and the annexation. The Developer will be reimbursed for such costs if and when bonds are issued for the CFD 2006-4.

The Annexation will result in property owners paying a tax of \$801 per unit vs the CFD 2003-1 rate of \$411.84.

Exhibits

A – Resolution

B – Landowner Petition

C - Project Map