



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: January 12, 2021

Subject: Public Hearing and Election for Annexation Proceedings for Community Facilities District No. 2015-1 (Safety Services)

Recommendation

1. 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), ANNEXING TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2015-1 OF THE CITY OF LAKE ELSINORE (SAFETY SERVICES), AND CALLING ELECTIONS THEREIN; and
2. 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) CERTIFYING THE RESULTS OF THE JANUARY 12, 2021 ANNEXATION AND SPECIAL TAX ELECTIONS.

Background

The City of Lake Elsinore (the "City") formed the City of Lake Elsinore Community Facilities District No. 2006-6 (Tessera) (the "District") in 2006 pursuant to the Mello-Roos Community Facilities District Act of 1982. The District is bounded to the north and east by Avenue 6 and by Channing Way to the west. JLJ, L.P., a California limited partnership, is the landowner within the District (the "Developer"). The development within the District is expected to include approximately 90 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 within the District into CFD 2015-1 (Safety Services) ("CFD No. 2015-1") (such annexation proceedings referred to as, the "Annexation"). The proposed total maximum tax rate to be levied by CFD

No. 2015-1 on the property to be annexed is \$833 per unit per year. The annual Special Tax rate is proposed to escalate each year at the greater of Consumer Price Index (CPI) or 4%.

The property to be annexed 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. On December 8, 2020, the City Council, acting as the legislative body of CFD 2015-1, adopted a resolution declaring its intention to annex the property in the District into CFD 2015-1. The proceedings to undertaken at this meeting will complete the proposed Annexation of the property to CFD 2015-1.

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 Annexation. 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 executed a consent and waiver to certain election law requirements and to allow the election to be conducted immediately following the public hearing.

Following the holding of the election, the City Council will be asked to certify the election results and assuming the passage of the propositions, the property within the District will be annexed to CFD 2015-1 and the City Clerk will be instructed to record a notice of special tax lien of CFD 2015-1 on the property so annexed. Such property will thereafter be subject to the special tax levy of CFD 2015-1.

Fiscal Impact

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

CFD 2015-1 will annually levy special taxes on all of the taxable property within the District in accordance with the Rate and Method of Apportionment in order to pay for the costs of services and administration of CFD 2015-1.

Exhibits

- A – Reso. Approving Annexation
- B – Reso. Certifying Election Results
- C - Landowner Waiver
- D – Certificate of Registrar of Voters
- E – Project Map