



## **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 Annexation No. 10 Into Community Facilities District No. 2015-2 (Maintenance Services) for Tesser

### **Recommendation**

1. 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. 10);
2. 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. 10); and
3. Introduce by title only and waive further reading of AN ORDINANCE AMENDING ORDINANCE NO. 2016-1359 OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2015-2 OF THE CITY OF LAKE ELSINORE (MAINTENANCE SERVICES) AUTHORIZING THE LEVY OF SPECIAL TAXES.

### **Background and Discussion**

On December 8<sup>th</sup>, the City Council adopted Resolution No. 2020-97, 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. 10. A public hearing was set for January 20, 2021. 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 December 23, 2020, at 12:20 p.m. in Book 86, Page 19, Document No. 2020-0655511 of Maps of Assessment and Community Facilities Districts with the Riverside County Recorder.

The applicants for the development of Tessera is JLJ, LP (the "Applicants"). The Resolution of Intention was adopted by the City Council in response to a request by the Applicants 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 lighting, street maintenance, drainage, parks and graffiti abatement. The Applicants have 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. 10 will encompass 90 detached condominiums. The territory proposed to be annexed into CFD No. 2015-2 will be included in Tax Zone 12. The proposed total maximum tax rate for Tax Zone 12 is \$294 per residential unit per year for Special Tax A and \$30 per residential unit for Special Tax B. The maximum annual tax rates are 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 12 will generate \$26,421 for maintenance services.

### **Exhibits**

- A – Reso. Calling an Election
- A1 – RMA
- A2 – Ballot
- B – Reso. Election Results
- B1 – Certificate
- C – Ordinance
- D – Certificate of Registrar of Voters
- E – Recorded Boundary Map