



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Shannon Buckley, Assistant Administrative Services Director

Date: April 27, 2021

Subject: Public Hearing and Election for Annexation Proceedings for Annexation No. 12 Into Community Facilities District No. 2015-2 (Maintenance Services) for Tuscany Valley/Crest

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. 12); 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. 12); and,

introduce by title only and waive further reading 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 March 23rd, the City Council adopted Resolution No. 2021-24, 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. 12. A public hearing was set for April 27, 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 declare the results of that election.

As required by the Resolution of Intention, an annexation map was recorded on April 1st, at 11:03 a.m. in Book 86, Page 52, Document No. 2021-0204161 of Maps of Assessment and Community Facilities Districts with the Riverside County Recorder.

The applicant for the development of Tuscany Valley/ Crest is SPT AREP III Tuscany Associates, LLC a Delaware limited liability company (the "Developer"). 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 landscaping and lighting, water quality improvements, and street maintenance. 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 according 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. 12 will encompass 335 single-family residential lots. The territory proposed to be annexed into CFD No. 2015-2 will be included in Tax Zone 14 for 204 residential properties and Tax Zone 15 for 131 residential properties. The proposed total maximum tax rate for Tax Zone 14 is \$749 per residential unit per year for Special Tax A and \$87 per residential unit per year for Special Tax B. The Special Tax A for Tax Zone 15 is \$594 per residential unit per year for Special Tax A and \$62 per residential unit per year for Special Tax B. The maximum annual tax rates are proposed to escalate each year at the greater of the 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, before the 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, Special Tax A for Tax Zone 14 will generate \$152,643 and Tax Zone 15 will generate \$77,735 for maintenance services.

Exhibits

- A - Res. Annexing Calling an Election
 - A1 – RMA
 - A2 – Ballot
- B – Res. Certifying Election Results
 - B1 – Certificate
- C – Certificate of Registrar of Voters
- D – Ordinance
- E – Project Map