



# City of Rialto

## Legislation Details (With Text)

**File #:** CC-19-762    **Version:** 1    **Name:**  
**Type:** Resolution    **Status:** Adopted  
**File created:** 3/12/2019    **In control:** City Council  
**On agenda:** 7/23/2019    **Final action:** 7/23/2019  
**Title:** Request City Council to Adopt the Following Resolutions Setting the Fiscal Year 2019-20 Special Tax Levy for Community Facilities District 2006-1, 2016-1, 87-1, and 87-2:  
· Adopt Resolution No.7542 Establishing the Special Tax Rate for Community Facilities District 2006-1 (Elm Park).  
· Adopt Resolution No.7543 Establishing the Special Tax Rate for Community Facilities District 2016-1 (Public Services).  
· Adopt Resolution No.7544 Establishing the Special Tax Rate for Community Facilities District 87-1 (Las Colinas).  
· Adopt Resolution No.7545 Establishing the Special Tax Rate for Community Facilities District 87-2 (Las Colinas).

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. CFD 2006-1 Resolution Special Tax Establishing.pdf, 2. CFD 2006-1 Attachment to Resolution Exhibit A & B.docm, 3. CFD 2016-1 Resolution Special Tax Establishing .pdf, 4. CFD 2016-1 Attachment to Resolution Exhibit A & B.pdf, 5. CFD 87-1 Resolution Special Tax Establishing.pdf, 6. CFD 87-2 Resolution Special Tax Establishing.pdf, 7. Special Assessments Policy Procedure - District Agreement.pdf

Date	Ver.	Action By	Action	Result
7/23/2019	1	City Council		

For City Council Meeting [July 23, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Jessica Brown, Finance Director

Request City Council to Adopt the Following Resolutions Setting the Fiscal Year 2019-20 Special Tax Levy for Community Facilities District 2006-1, 2016-1, 87-1, and 87-2:

- Adopt **Resolution No.7542** Establishing the Special Tax Rate for Community Facilities District 2006-1 (Elm Park).
- Adopt **Resolution No.7543** Establishing the Special Tax Rate for Community Facilities District 2016-1 (Public Services).
- Adopt **Resolution No.7544** Establishing the Special Tax Rate for Community Facilities District 87-1 (Las Colinas).
- Adopt **Resolution No.7545** Establishing the Special Tax Rate for Community Facilities District 87-2 (Las Colinas).

### **BACKGROUND:**

The City sets the special tax rates levied on the Community Facilities Districts (CFD) 2016-1 (Public Services), 2006-1 (Elm Park), 87-1, and 87-2 (Las Colinas) annually. Property owners established these districts through ballot procedure when the districts were formed, to complete various public improvements and provide additional public safety services in the subject areas.

#### **ANALYSIS/DISCUSSION:**

The levy for CFD 2006-1 is required to pay annual principal and interest on the Mello-Roos bonds issued in 2006 and refinanced in 2016, plus administration costs associated with the district. The original proceeds of the bonds paid for development impact fees, the acquisition and construction of necessary street improvements, water facilities, sanitary sewer and storm drain improvements, and landscaping. The City levies annual special tax rates per gross acre for undeveloped land, and per dwelling unit for developed parcels. This year's special tax rates range from \$3,433.83 to \$3,906.35 per dwelling unit. The City bases these calculations upon the costs involved with administering the district, including: debt service payments, debt service fees, collection of assessments, delinquency management, and reserve requirements. CFD 2006-1 has 130 parcels with 2 active delinquent properties. The estimated levy for Fiscal Year 2019-20 is \$465,821.41.

The levy for CFD 2016-1 is established by property owners to help reimburse the City for increased cost for public safety and other services created by new developments and determined as necessary by the City's General Plan to maintain the district. The City levies annual special tax rates per dwelling unit for developed parcels. The special tax rate for Fiscal Year 2019-20 is \$227.17 per single family residential dwelling unit and \$302.90 per multi-family residential dwelling unit. The City bases these calculations upon the costs involved with administering the district, including: collection of assessments, delinquency management, and reimbursement of Police, Fire and other services for the district. CFD 2016-1 has 84 parcels with two active delinquent properties. The estimated levy for Fiscal Year 2019-20 is \$25,443.51.

The levy for CFD 87-1 was required to pay annual principal and interest on the Mello-Roos bonds issued in 1988, and for administration costs associated with the district. The original proceeds of the bonds paid for the acquisition and construction of necessary street improvements, water facilities, sanitary sewer and storm drain improvements, and police and fire protection facilities. However, the CFD 87-1 debt service was defeased during Fiscal Year 2018-19 and as such a levy has not been proposed for Fiscal Year 2019-20.

Property owners established the levy for CFD 87-2 to help reimburse the City for Police and Fire protection services determined as necessary by the City's General Plan and because of the location of the district. Subsequent to the approval of the Utility Users Tax in 2003, the CFD 87-2 has been set at zero (\$0) for all 2,128 parcels.

The special tax rates for CFD 2016-1 and CFD 2006-1 are consistent with the rates and method of apportionment originally approved by the property owners through the ballot procedure performed when the districts were formed.

Resolutions with exhibits indicating the special tax rates (required by the County Tax Collector each year) are attached to the staff report. The City will send this information to the County Tax Collector, which will be included on the property tax roll.

#### **ENVIRONMENTAL IMPACT:**

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act

(CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. By definition, a Project does not include: The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment according to Section 15378 (b)(4) of CEQA.

**GENERAL PLAN CONSISTENCY:**

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

Policy 3-6.1: Coordinate all development proposals with other affected public entities to ensure the provision of adequate public facilities and infrastructure services.

Policy 3-6.3: Require an increasing level of public safety infrastructure and service capability tied to population increase and increasing service demand.

Policy 5-3.7: Add service level capability and infrastructure to meet increasing demand of new development.

**LEGAL REVIEW:**

The City Attorney has reviewed and approved this staff report

**FINANCIAL IMPACT:**

Operating Budget Impact

The total levies for CFD 2006-1 is \$465,821.41 and CFD 2016-1 is \$25,443.51. The estimated revenues were included in the FY2019-20 budget in the following Agency Funds: CFD 2006-1 Account No. 871-400-2141-7104 and CFD 2016-1 Account No. 872-400-2141-7104. Related expenditures will be included in the FY2020 budget, in Funds 870, 871, and 872. CFD 87-1 and CFD 87-2 special tax assessments have been set to zero (\$0).

Capital Improvement Budget Impact

This item has no impact on the capital improvement budget.

**RECOMMENDATION:**

Staff recommends that the City Council adopt the following resolutions setting the Fiscal Year 2019-20 special tax levy for Community Facilities District 2006-1, 2016-1, 87-1, and 87-2:

- Adopt a Resolution Establishing the Special Tax Rate for Community Facilities District 2006-1 (Elm Park).
- Adopt a Resolution Establishing the Special Tax Rate for Community Facilities District 2016-1 (Public Services).
- Adopt a Resolution Establishing the Special Tax Rate for Community Facilities District 87-1 (Las Colinas).
- Adopt a Resolution Establishing the Special Tax Rate for Community Facilities District 87-2 (Las Colinas).