



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Shannon Buckley, Assistant City Manager

Date: September 12, 2023

Subject: Annexation No. 19 Into Community Facilities District No. 2015-2 (Maintenance Services) for Tr 38378 (Coastal Mission Trails)

Recommendation

Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, DECLARING ITS INTENTION TO ANNEX TERRITORY INTO COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) OF THE CITY OF LAKE ELSINORE, ADOPTING A MAP OF THE AREA TO BE PROPOSED (ANNEXATION NO. 19) AND AUTHORIZING THE LEVY OF A SPECIAL TAXES THEREIN.

Background

On September 22, 2015, the City Council approved Resolution No. 2015-078 establishing Community Facilities District No. 2015-2 (Maintenance Services) of the City of Lake Elsinore (the "CFD No. 2015-2" or "District") to levy special taxes on parcels of taxable property to provide certain services which are necessary to meet increased demands placed upon the City.

Vista Emerald, LLC (the "Owner"), owns 18.07 gross acres of a vacant residential lot within the City. The Owners have requested that the City assist them in annexing territory into CFD No. 2015-2 (Maintenance Services) to cover the costs of maintaining public improvements. The proposed improvements include landscaping, lighting, street maintenance, drainage, parks, and graffiti abatement.

The landowners have advised the City that the area described in Exhibit "B" of the Resolution of Intention to be annexed into CFD No. 2015-2 and that a Rate and Method of Apportionment of the special taxes to be levied as described in Exhibit "C."

The original area proposed within Annexation No. 19 will encompass 191 detached single-family residential lots. The territory proposed to be annexed into CFD No. 2015-2 will be included in Tax Zone 22. The property is located north of Lemon Street and west of Mission Trail in the southern part of the City. The proposed maximum tax rate is \$358 per unit per year for Special Tax A and \$7 per unit for Special Tax B. The maximum annual tax rates are proposed to escalate yearly at

the greater Consumer Price Index (CPI) or 2%. See Attachment 3 for a maintenance exhibit illustrating which services are being maintained by the CFD.

The Owner has 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 next step to annex the property to CFD No. 2015-2 is to publish a notification of the proposed district along with the "Resolution of Intention" and Boundary Map of the proposed Annexation area. A public hearing on the matter will take place on October 24, 2023, and the Council will formally consider approval of Annexation No. 19.

Fiscal Impact

On March 1 of each year, every taxable property for which a building permit has been issued will be subject to special taxes in the ensuing Fiscal Year. Suppose the anticipated costs of maintaining the facilities in any given Fiscal Year before the project buildout exceeds the special tax revenues available from parcels for which building permits have been issued. In that case, the special tax may also be on undeveloped property within the Tax Zones. Once developed, the Special Tax A for Tax Zone 22 will generate \$68,338 for maintenance services.

Attachments

Attachment 1- Project Map
Attachment 2 - Resolution of Intent
Exhibits A-G
Attachment 3 - Maintenance Exhibit