



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: October 24, 2023

Subject: Annexation No. 20 into Community Facilities District No. 2015-2 (Maintenance Services) for TR28214-9 (Alberhill)

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. 20) 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") for the purpose of levying special taxes on parcels of taxable property to provide certain services which are necessary to meet increased demands placed upon the City.

Pulte Home Company, LLC (the "Owner"), owns 112 gross acres of a vacant residential lot within the City. The Owner has requested that the City 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, street maintenance, drainage, parks, and graffiti abatement.

The landowner has advised the City that the area described in Attachment "2" 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. 20 will encompass 344 detached single-family residential lots. The territory proposed to be annexed into CFD No. 2015-2 will be included in Tax Zone 23. The property is located west of Terra Cotta Road, east of Lake Street, and south of Nichols Road, in the northern part of the City. The proposed total maximum tax rate is \$647 per

unit per year for Special Tax A and \$19 per unit per year 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%. See Exhibit B for a maintenance exhibit illustrating which services are being maintained by the CFD.

Discussion

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 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 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 December 12, 2023, and at that time the Council will formally consider approval of Annexation No. 20.

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 Zones. Once developed, the Special Tax A for Tax Zone 23 will generate \$222,371 for maintenance services.

Attachments

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