

# City of Sacramento

## Legislation Details (With Text)

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**File #:** 2019-00776    **Version:** 1  
**Type:** Consent Item                      **Status:** Agenda Ready  
**File created:** 5/15/2019                      **In control:** City Council - 2PM  
**On agenda:** 8/13/2019                      **Final action:** 12/31/2023  
**Title:** Initiate Proceedings to Establish Delta Shores Community Facilities District No. 2019-01 (Improvements)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
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**Title:**  
**Initiate Proceedings to Establish Delta Shores Community Facilities District No. 2019-01 (Improvements)**

File ID: 2019-00776

**Location:** District 7 and 8

**Recommendation:**

Adopt 1) a Resolution of Intention proposing to establish the Delta Shores Community Facilities District No. 2019-01 (Improvements) and designate Improvement Area Nos. 1, 2, and 3 therein, proposing the levy of a special tax, approving the boundary map, and setting a public hearing for September 24, 2019; and 2) a Resolution Declaring the Necessity to Incur Bonded Indebtedness for each of the three improvement areas.

**Contact:** Arwen Wacht, Program Specialist, (916) 808-7535; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

**Presenter:** None

**Attachments:**

- 01-Description/Analysis
- 02-Background
- 03-Schedule of Proceedings
- 04-Resolution of Intention

- 05-Exhibit A: Boundary Map
- 06-Exhibit B: List of Authorized Facilities
- 07-Exhibit C: Representative Listing of Incidental Expenses
- 08-Exhibit D: Rate and Method of Apportionment - Improvement Area No. 1
- 09-Exhibit E: Rate and Method of Apportionment - Improvement Area No. 2
- 10-Exhibit F: Rate and Method of Apportionment - Improvement Area No. 3
- 11-Resolution of Intention to Incur Bonded Indebtedness

## Description/Analysis

**Issue Detail:** Merlone Geier Partners (the Developer), the master developer of the Delta Shores development, has applied to the City to form the Delta Shores Community Facilities District No. 2019-01 (Improvements) (the “**CFD**” with three improvement areas (one west of Interstate 5, one east of Interstate 5 and south of Cosumnes River Boulevard, and one east of Interstate 5 and north of Cosumnes River Boulevard). The CFD will issue tax-exempt bonds, and the bond proceeds will be used to partially reimburse the Developer for the cost of public infrastructure that the City will acquire from the Developer as well as for certain development fees the Developer must pay to the City and other local agencies. Approval of the CFD will authorize the City to sell bonds and to levy the special tax to pay debt services for the bonds, administrative costs of the CFD, and fund the authorized facilities and fees.

**Policy Considerations:** The CFD is being formed under the Mello-Roos Community Facilities Act of 1982, codified Government Code sections 53311 through 53368.3 (the “**Act**”). Formation of the CFD is consistent with the City’s Policy and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities adopted August 9, 1994 by City Resolution No. 94-491, as subsequently amended (the “**Policy**”).

**Economic Impacts:** None.

## Environmental Considerations:

**California Environmental Quality Act (CEQA):** The City prepared an environmental impact report, or EIR, that evaluated the environmental effects of the Delta Shores project (P06-197). The City Council certified the EIR on January 13, 2009 (Resolution No. 2009-030). The Planning and Design Commission later reviewed the EIR and prepared an addendum for the commercial development portion of the Delta Shores project (P14-025) on April 13, 2015.

Under the CEQA Guidelines, formation of community facilities districts as funding mechanisms without commitment to any specific project that could result in a significant impact to the environment does not constitute a project for purposes of CEQA and is therefore exempt from

review. (14 Cal. Code Regs., §§ 15061(b)(3) & 15378(b)(4).)

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** The actions in the recommended resolutions are required by Act to initiate the process to form the CFD.

**Financial Considerations:** The Developer will pay the necessary fees, construct the required improvements, and be reimbursed at a later time if and when sufficient bond proceeds and special taxes are available. These reimbursements will be limited to fees and improvements that comply with the Policy or any subsequent update to the Policy. The special taxes and bond proceeds will be used for the sole purpose of funding reimbursements and administrative expenses. The formation of this CFD will not create an obligation on the General Fund or any other City funds.

**Local Business Enterprise (LBE):** Not applicable.