

City of Sacramento

Legislation Text

File #: 2018-01465, **Version:** 1

Title:

Ordinances to Levy Special Taxes within the Greenbriar Community Facilities District No. 2018-03 (Improvements) and the Sacramento Services Community Facilities District No. 2018-05 (Passed for Publication 12/04/2018; Published 12/07/2018)

File ID: 2018-01465

Location: District 1

Recommendation:

1) Adopt an Ordinance levying a special tax on land within the Greenbriar Community Facilities District No. 2018-03 (Improvements) (Improvement CFD); 2) adopt an Ordinance levying a special tax on land within the Sacramento Services Community Facilities District No. 2018-05 (Sacramento Services CFD); 3) adopt a Resolution establishing new accounting funds for the Greenbriar Improvement CFD and the Sacramento Services CFD; and 4) adopt a Resolution of Intention a) rescinding Resolution 2018-0464, the previously approved Resolution of Intention (Resolution 2018-0464); and b) establishing a unanimous approval process for future annexation of territory into the Sacramento Services CFD.

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Presenter: None

Attachments:

01-Description/Analysis

02-Background

03-Schedule of Proceedings

04-Ordinance - Levy of Special Tax (Improvement CFD)

05-Ordinance - Levy of Special Tax (Sacramento Services CFD)

06-Resolution - Create Accounting Funds

07-Resolution - Intention to Establish Future Annexation Area (Sacramento Services CFD)

08-Exhibit A - Map of District and Future Annexation Area

09-Exhibit B - List of Authorized Services

10-Exhibit C - Rate and Method of Apportionment of Special Tax

11-Exhibit D - Annexation Procedures

Description/Analysis

Issue Detail: On November 27, 2018, City Council adopted Resolution No. 2018-0461 calling for a special mailed ballot election on whether to levy a special tax within the boundaries of the Improvement CFD and whether to issue bonds supported exclusively by the special tax to partially reimburse the development for the cost of public infrastructure through the Improvement CFD. The City Council also adopted Resolution No. 2018- 0463 calling for a special mailed ballot election on whether to levy a special tax within the boundaries of the Sacramento Services CFD. Both votes were in the affirmative and on December 4, 2018, the City Council passed for publication an ordinance to levy a special tax in the Improvement CFD and an ordinance to levy a special tax in the Sacramento Services CFD (collectively with the Improvement CFD, the CFDs). Staff recommends the City Council adopt the ordinances and pass the resolution establishing new accounting funds for both CFDs.

On November 27, 2018, City Council also adopted Resolution No. 2018-0464, thereby stating its intention to establish territory as a future annexation area to the Sacramento Services CFD and called for a public hearing on January 15, 2019, to consider this action. However, there is not currently a meeting of the City Council scheduled for January 15, 2019, therefore holding a public hearing on that date would not be possible. Staff recommends that the City Council adopt a new Resolution of Intention that would rescind Resolution No. 2018-0464 and call for a public hearing on January 22, 2019. The passage of the attached Resolution of Intention to Provide for Future Annexation of Territory is the first step to allow for future annexations to the Maintenance CFD by the unanimous approval of the owner(s) of property to be annexed. Once this unanimous consent process is established, Council action will not be required for future annexations to the Maintenance CFD from the “future annexation area”.

Policy Considerations: The procedures under which these CFDs are being formed are set forth in Title 5, Division 2, Part 1, Chapter 2.5 of the Government Code, Sections 53311-53368.3, entitled “The Mello-Roos Community Facilities Act of 1982” (the Act). Formation of the CFDs is consistent with the City’s Policies and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities, as amended, adopted August 9, 1994 by City Resolution No. 94-491 (Mello-Roos Policy).

In addition, the recommended action to rescind Resolution No. 2018-0464 and adopt a new Resolution of Intention will ensure a public hearing can, as required by the Act, be duly convened on the matter of establishing territory as a future annexation area to the Sacramento Services CFD.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA Guidelines, the formation of community facilities districts does not constitute a project because it is merely a funding mechanism and is therefore exempt from review [CEQA Guidelines Section 15378(b)(4)].

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The recommended actions are required by the Act and by the City Charter to complete the formation process for the CFDs and to allow future annexations from the “future annexation area” to the Sacramento Services CFD using the unanimous approval process permitted under California Government Code Section 53339.7.

Financial Considerations: Specific to the Improvement CFD, the Developer of the Greenbriar project will initially fund the construction of authorized public improvements or pay development impact fees used to construct authorized public improvements. Later, if and when sufficient bond proceeds and special taxes are available, the City will reimburse the Developer consistent with the City’s Mello-Roos Policy or any subsequent update to such policy and with associated agreements. The bond proceeds and special taxes will be used for the sole purposes of: (a) funding construction-costs and development-fee reimbursements to the developer and (b) paying the City’s administrative expenses. This may be done from bond proceeds, directly from special taxes on a pay-as-you-go basis, or from a combination of bond proceeds and special taxes.

Specific to the Sacramento Services CFD, the property owners will pay all costs associated with the CFD, and the approved special tax can be levied each fiscal year to pay for authorized maintenance and services costs of the CFD. Initially, the developer of the Greenbriar project will be the only owner of land in the Sacramento Services CFD, and other projects are expected to annex into the CFD in the future as part of their conditions of development. Property owners will pay all cost associated with annexing to the Sacramento Services CFD, and the maximum special tax rates for annexing properties may vary for each annexation depending on the needs of the territory being annexed.

There is no impact on the General Fund or any other funds of the City as a result of this action.

Local Business Enterprise (LBE): Not applicable.