

# City of Sacramento

## Legislation Text

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**File #:** 2020-00806, **Version:** 1

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**Title:**

**Ordinance Providing for Levy a Special Tax on Future Annexed Land - North Natomas Drainage Community Facilities District No. 97-01 (Passed for Publication 10/27/2020; Published 10/30/2020)**

File ID: 2020-00806

**Location:** District 1

**Recommendation:**

Adopt an Ordinance providing for the levy of special taxes on parcels that are annexed to North Natomas Drainage Community Facilities District No. 97-01 in the future.

**Contact:** Mary Jean Rodriguez, Program Specialist, (916) 808-1980; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

**Presenter:** Not applicable.

**Attachments:**

- 1-Description/Analysis
- 2-Schedule of Proceedings
- 3-Ordinance Providing for Levy of Special Tax

**Description/Analysis**

**Issue Detail:** On September 22, 2020, in accordance with the Mello-Roos Community Facilities Act of 1982 (the Act), the City Council passed Resolution No. 2020-0309 declaring its intention to create a “future annexation area” for North Natomas Drainage Community Facilities District No. 97-01 (the CFD). On October 27, 2020, the City Council adopted Resolution No. 2020-0349, thereby establishing a “future annexation area” for the CFD and authorizing the administrative annexation of parcels to the CFD with the unanimous approval of the parcels’ owners.

The Act also authorizes the City Council to provide, by ordinance, that parcels annexed into CFD in the future will be taxed at special tax rates approved unanimously by their owners. The ordinance

attached to this report, which the City Council passed for publication of title on October 27, 2020, is such an ordinance. Adoption of it will provide that a parcel annexed into the CFD will be taxed at rates unanimously approved by the parcel's owners.

**Policy Considerations:** The recommended actions are authorized by the Act for levying special taxes at varying rates with the unanimous consent of property owners.

**Economic Impacts:** Not applicable.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** Adoption of the ordinance is not a "project" subject to CEQA because (a) it has no potential to cause a significant effect on the environment and (b) it pertains to creation of a government-funding mechanism not involving a commitment to a specific project that might result in a potentially significant physical impact on the environment. (14 Cal. Code Regs. §§ 15061(b)(3) and 15378(b)(4)).

**Sustainability:** Not applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Adoption of the ordinance provides a mechanism for future project areas annexed to the CFD to participate in funding the infrastructure they benefit from.

**Financial Considerations:** There is no impact to the General Fund, as the owners of annexing parcels will pay all costs associated with the annexation. In addition, to maintain equity between the CFD's original parcels and the annexed parcels, the current Rate and Method of Apportionment requires that each owner of an annexed parcel pay a one-time catch-up tax equal to the tax that would have been levied on the parcel during the ten years before annexation.

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