

# City of Sacramento

## Legislation Details (With Text)

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<b>Type:</b>	Consent Item	<b>Status:</b>		Agenda Ready	
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<b>On agenda:</b>	9/22/2020	<b>Final action:</b>			
<b>Title:</b>	Initiate Proceedings to Establish a Future Annexation Area for North Natomas Drainage Community Facilities District No. 97-01				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>					

Date	Ver.	Action By	Action	Result
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**Title:**

**Initiate Proceedings to Establish a Future Annexation Area for North Natomas Drainage Community Facilities District No. 97-01**

File ID: 2020-00802

**Location:** District 1

**Recommendation:**

Adopt a Resolution of Intention to establish a unanimous-approval process for future annexation of territory into North Natomas Drainage Community Facilities District No. 97-01.

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

**Presenter:** None.

**Attachments:**

- 1-Description/Analysis
- 2-Schedule of Proceedings
- 3-Resolution of Intention to Provide for Future Annexation of Territory
- 4-Exhibit A: Map of the District and the Future Annexation Area
- 5-Exhibit B: Rate and Method of Apportionment of Special Tax
- 6-Exhibit C: Annexation Procedures

## Description/Analysis

**Issue Detail:** On March 4, 1997, in accordance with the Mello-Roos Community Facilities Act of 1982 (Government Code §§ 53339-53339.9) (the Act), the City Council approved Resolution No. 97-108 establishing the North Natomas Drainage Community Facilities District No. 97-01 on about 5,800 acres in North Natomas (the CFD). The owners of land within the CFD subsequently voted to authorize a special tax on their lands to fund drainage improvements required to remove North Natomas from the 100-year flood-plain designation and acquire land for habitat mitigation, with the tax levied in accordance with the Rate and Method of Apportionment of Special Tax attached to Resolution No. 97-108 (the RMA). The landowners also authorized the CFD to sell bonds to finance improvements to drainage facilities, including levees, channels, pumping plants, and all necessary appurtenances, as well as to finance land-acquisition, engineering costs, and other costs.

The CFD's initial boundaries excluded certain parcels with the understanding that they would be annexed into the CFD when development occurred, because they also benefit from the public facilities funded by the CFD. The Act authorizes the City to annex these parcels into the CFD with the unanimous approval of the parcel owners. To establish the unanimous-approval process, the City Council must adopt a resolution creating a "future annexation territory." Once the unanimous-consent process is established, annexations may occur without further City Council action. Importantly, except for a change in boundaries, annexation will not alter the CFD in any way; the CFD's existing tax rates will apply to the annexed parcels.

**Policy Considerations:** The recommended action will create a streamlined, less-costly annexation process. The unanimous-consent process allows parcels that were excluded from the CFD to be annexed into the CFD administratively, without the multiple City Council actions that would otherwise be required for each annexation. Annexation into the CFD ensures that developing properties participate in funding the infrastructure they benefit from.

**Economic Impacts:** Not applicable.

## Environmental Considerations:

**California Environmental Quality Act (CEQA):** Under CEQA Guidelines, the formation of a community facilities district and continuing administrative activities do not constitute a project and are therefore exempt from review (14 Cal. Code Regs. § 15378(b)(4)).

**Sustainability:** Not applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The recommended action will allow the annexing of territory into

the CFD using the unanimous-approval process authorized by the Act (specifically, by Government Code § 53339.7).

**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 RMA 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.