

City of Sacramento

Legislation Text

File #: 2018-01731, **Version:** 1

Title:

Sacramento Services Community Facilities District No. 2018-05 Unanimous Consent Process for the Future Annexation Area (Noticed 01/11/2019)

File ID: 2018-01731

Location: Citywide

Recommendation:

Conduct a public hearing and upon conclusion adopt a Resolution establishing the future annexation area for the Sacramento Services Community Facilities District No. 2018-05, City of Sacramento, County of Sacramento, State of California (CFD) and levying a special tax within annexed areas.

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Presenter: Eric Frederick, Program Specialist, (916) 808-5129, Department of Finance

Attachments:

- 1-Description/Analysis
- 2-Schedule of Proceedings
- 3-Resolution to Establish Future Annexation Area
- 4-Exhibit A: Map of CFD No. 2018-05 and Future Annexation Area
- 5-Exhibit B: List of Authorized Services
- 6-Exhibit C: Rate and Method of Apportionment of Special Tax

Description/Analysis

Issue Detail: In 2014, Section 53340 of the Mello-Roos Community Facilities Act of 1982 (Act) was amended to allow parcels to be annexed into an existing community facilities district at special tax rates sufficient to fund services to the annexed area and with the unanimous approval of property owners in the area to be annexed. This amendment to the Act introduces a streamlined solution to providing funding of services for development projects.

On December 11, 2018, Council adopted a Resolution of Intention (Resolution No. 2018-0480) to create a “future annexation area” and allow development projects to annex into the CFD administratively using the unanimous approval process. Resolution No. 2018-0480 called for a public hearing to be held on January 22, 2019, to consider this action.

The CFD was formed to provide for the maintenance of landscaping, parks, open space, and other public improvements in the Greenbriar development project that are beyond those typically provided by the City. No new or additional services beyond those already authorized under the CFD will be provided in the territory proposed to be annexed to the CFD; however, services need not be shared in common between the CFD and the territory proposed to be annexed in the future. No special tax or lien is imposed until required by project entitlements.

Policy Considerations: The recommended action will provide the mechanism to fund services provided by the City for projects annexed into the CFD with flexibility to customize special tax rates based on the specific cost of services provided for a given project. As required by the Act, these services will not supplant services already available within that territory prior to annexation.

The unanimous approval requirements allow future development projects to be annexed into the CFD administratively without additional Council action and allows special tax rates to be set at levels appropriate to the services provided to each annexation area.

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: Not applicable.

Rationale for Recommendation: The recommended actions are necessary to allow for future annexations to the CFD using the unanimous approval process permitted under the Act.

Financial Considerations: The property owners will pay all costs associated with annexing to the CFD. The maximum special tax rates for properties located in the CFD are outlined in the Rate and Method of Apportionment of Special Tax (included as Exhibit C to the resolution) but may vary for each annexation depending on the services needed in the territory being annexed.

Local Business Enterprise (LBE): Not applicable.