



STAFF REPORT
9/11/2024

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Public Hearing on the Formation of the Community Facilities District (CFD) 2024-1:

Resolution 2024-45, Establishing the Community Facilities District (CFD) 2024-1;

Resolution 2024-46, Calling a Special Election for CFD 2024-1;

Resolution 2024-47, Declaring the Results of the Special Election and Directing Recording of a Notice of Special Tax Lien for CFD No. 2024-01; and

Ordinance 1214, of City of Coachella Community Facilities District No. 2024-1 (Public Services) and to Authorize the Levy of a Special Tax Therein to Finance Certain Services

STAFF RECOMMENDATION:

1. Open the public hearing for the purpose of receiving public testimony and property owner protests regarding the formation of the proposed CFD for public services.
2. Close public hearing and tabulate ballots for the Formation of Community Facilities District 2024-1.
3. Approve Resolution 2024-45, resolution of formation for Community Facilities District(CFD) 2024-1; resolution of formation of the City Council of the City of Coachella to establish City of Coachella Community Facilities District No. 2024-1 (Public Services), to establish an appropriations limit therefor, to authorize the levy of a special tax therein, and to submit th establishment of an appropriations limit and the levy of special taxes to the qualified electors thereof;
4. Approve Resolution 2024-46, a resolution of the City Council of the City of Coachella calling a special election and submitting to the qualified electors of City of Coachella Community Facilities District No. 2024-1 (Public Services) propositions regarding the establishment of an appropriations limit and the annual levy of a special tax within the Community Facilities District;

5. Approve Resolution 2024-47, a resolution of the City Council of the City of Coachella declaring the results of a special election in the City of Coachella Community Facilities District No. 2024-1 (Public Services) and directing the recording of a notice of special tax lien; and
6. Approve Ordinance 1214, an ordinance of the City Council of the City of Coachella, California, levying special taxes within the City of Coachella Community Facilities District No. 2021-1 (Public Services).

BACKGROUND:

On March 13, 2024, the City Council of the City of Coachella approved Resolution No. 2024-09, approving Final Tract Map No. 38557-1 (Sevilla II). The Project will consist of a 204-lot residential development. The project includes pedestrian sidewalks; landscaping; an approximate 1.0-acre recreational park area; an approximate 1.37-acre water retention basin; an approximate 0.23-acre dedicated future well site; monument signage; and street and utility improvements.

On July 24, 2024 the City Council adopted a Resolution of Intent with the intent of forming a Mello-Roos community facilities district, CFD 2024-1 (Public Services) to finance the impact by new development on park maintenance, landscaping and lighting maintenance, drainage maintenance and street maintenance.

The City Council set September 11, 2024, as the date of the public hearing to receive public testimony and property owner protests, if any, with regard to the formation of the district and the levy of a special tax.

After receiving public testimony, the City Council will consider (1) adopting a Resolution of Formation forming and establishing CFD 2024-1, (2) calling and declaring the results of a special landowner election, and (3) based on the results of the election, introducing an Ordinance authorizing the levy of a special tax within the boundaries of CFD 2024-1.

The City has received the consent and waiver form from the property owner within the proposed CFD waiving the time limits for conducting the election and waiving the analysis and arguments regarding the ballot measure. The City's consultant, Willdan Financial Services, has determined that there are less than twelve registered voters residing within the CFD boundaries. As a result, an election by property owners is all that is necessary. The property owners have received a special election ballot for the CFD, which allows them one vote per acre or portion thereof. The City Clerk has canvassed the ballots that were returned to the City Clerk.

A CFD Report prepared by Willdan Financial Services is included as required by the Mello-Roos Community Facilities Act of 1982. This report provides a brief description of the public services, which will be required to adequately meet the needs of the CFD and estimates of costs of providing those public services. In addition, the report includes a map showing the boundaries of the proposed CFD.

DISCUSSION/ANALYSIS:

The conditions of development of the Project requires it to be part of a CFD to provide funding to offset the increased cost of public services created due to new development for park maintenance, landscaping and lighting maintenance, drainage maintenance and street maintenance.

To fund the impact of new development on the City’s public services, staff recommends that the City Council approve the establishment of CFD 2024-1 (Public Services), a Mello-Roos Community Facilities District, by holding a public hearing and adopting the Resolution of Formation, the resolution calling for a special election, and the resolution declaring the election results, followed by the first reading of the Ordinance authorizing the special tax. The special taxes collected from the property owners within the proposed CFD 2024-1 are to be used for the funding of park maintenance, landscaping and lighting maintenance, drainage maintenance and street maintenance required due to the development of the property within the proposed CFD 2024-1.

The Project proposed for inclusion in the CFD 2024-1 is owned by Pulte Home Company, LLC and is generally located west of Van Buren Street and south of Avenue 50. The Project currently includes the development of 204 single family residential parcels. The boundary of the CFD includes the area within assessor’s parcel numbers 779-280-002 and 779-320-001.

Once the formation is complete, and the election results are at least two-thirds approval, the property owners of the development will be required to pay annual special taxes for CFD 2024-1, beginning the fiscal year after they are issued a building permit, as itemized on their property tax bill, in accordance with the rate set forth in the Rate and Method of Apportionment of Special Tax.

ALTERNATIVES:

1. Hold the public hearing, approve the resolutions establishing the CFD, calling for a special election, declaring the election results, and the first reading of the Ordinance authorizing the special tax.
2. Take no action.
3. Continue this item and provide staff with direction.

FISCAL IMPACT:

The City expects to collect an annual special tax of \$655, plus an annual inflationary adjustment per detached dwelling unit within CFD 2024-1. In accordance with the rate set forth in the Rate and Method of Apportionment of Special Tax, the annual special tax will be collected beginning the fiscal year after a building permit is issued and will be reflected as itemized charge on their property tax bill. CFD 2024-1 will result in a new annual special tax totaling \$133,620 for 204 single family residential parcels; subject to annual inflationary adjustment.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1 as stated above.

Attachments:

1. Resolution No. 2024-45

2. Resolution No. 2024-46
3. Resolution No. 2024-47
4. CFD Report
5. Ordinance No. 1214