



City of Coachella Community Facilities District No 2024-1 (Public Services)

CFD REPORT

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I. INTRODUCTION

WHEREAS, the City Council of the City of Coachella (hereinafter referred to as the “Council”), in the State of California, did, pursuant Section 53321.5 of Chapter 2.5 of Part 1, of Division 2, of Title 5 of the Government Code of the State of California, as amended (the “Act”), expressly order the filing of a written Community Facilities District Report (“Report”) with the City of Coachella for a proposed Community Facilities District, which Community Facilities District shall be referred to as Community Facilities District No. 2024-1 (Public Services), (hereinafter referred to as the “CFD”); and

WHEREAS, the Report generally contains the following:

A brief description of the public services (the “Services”) which are required to adequately meet the needs of the CFD; and

an estimate of the cost of financing such Services; and

the rate and method of apportionment of the special tax in sufficient detail to allow each property owner within the proposed CFD to calculate the Maximum Special Tax that may be levied against their property.

For particulars, reference is made to the Resolution of Intention, Resolution No. 2024-42, as previously approved. All capitalized terms not defined herein are defined in the Rate and Method of Apportionment of Special Tax section of this Report.

NOW THEREFORE, Willdan Financial Services, the appointed responsible firm directed to prepare the Report, pursuant to the provisions of the Act, does hereby submit said Report.

II. DESCRIPTION OF SERVICES

The services (the “Services”) described below are proposed to be financed by City of Coachella Community Facilities District No. 2024-1 (Public Services) (the “CFD”). The Services are in addition to those provided in the territory of the CFD before establishing the CFD. The Services do not supplant services already available within the territory of the CFD before establishing the CFD.

Landscaping and Lighting Maintenance: includes the labor, material, administration, personnel, equipment and utilities (i.e., water and power) necessary to maintain public landscaping and lighting improvements for, within, or associated with the CFD, including trees, turf, ground cover, shrubs, weed removal, irrigation systems, sidewalk, drainage facilities, lighting, signs, monuments, graffiti removal, walkways, and associated appurtenant facilities located within, or associated with, the CFD.

Park Maintenance: includes the estimated and reasonable costs of providing public park maintenance for, within, or associated with the CFD, including but not limited to (i) the costs of contracting for park maintenance services, including trees, plant material, restrooms, irrigation systems, sidewalks, drainage facilities, weed control, lighting, and parking lot maintenance, (ii) the salaries and benefits of City staff, including maintenance staff, that directly provide park maintenance services, (iii) the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) utility costs such as water, sewer, lighting and power and (v) City overhead costs associated with providing such services.

Drainage Maintenance: includes the labor, material, testing, reporting, remediation, permitting, general administration, personnel, equipment and utilities necessary to maintain public drainage improvements for, within, or associated with the CFD, including drain inlets, filters, detention basin, storm drain pipeline, and associated appurtenant facilities located within, or associated with, the CFD.

Street Maintenance: includes the labor, material, administration, personnel, equipment and utilities necessary to maintain public streets, streetlights and associated appurtenant facilities for, within, or associated with the CFD, including City overhead costs associated with providing such services within the CFD.

The cost of the Services shall include incidental expenses, including, but not limited to, the costs associated with forming the CFD, determination of the amount of the Special Taxes, collection of the Special Taxes, payment of the Special Taxes, and costs incurred in order to carry out the authorized purposes of the CFD.

All Services shall be provided by the City of Coachella, with its own forces or by contract with third parties, or any combination thereof, to be determined entirely by the City of Coachella.

Nothing in this description of Services or any Resolution of the City Council shall be construed as committing the City or the CFD to provide all of the authorized Services. The provision of Services shall be subject to the successful formation of the CFD and the availability of sufficient proceeds of special taxes within the CFD. The City may annually prioritize, at its discretion, the authorized Services that would be funded and the amount of the special tax proceeds that it will use for each Service.

Substitution of Services

The description of the Services, as set forth herein, is general in its nature. The final nature of the Services will be determined upon the City's approval of services. The approval thereof may show substitutes in lieu of, or modification to, the proposed Services in order to provide the public Services necessitated by development occurring in the CFD, and any such substitution shall not be a change or modification in the proceedings as long as such substitute Services serve a function or provide a service substantially similar to that function served or the service provided by the Services described in this Report.

III. COST ESTIMATE

Cost Estimates for Services

The CFD is being formed to mitigate the financial impact of providing additional Public Services created by new development in the City. The initial Maximum Special Tax that may be levied annually for each land use type is shown in Table 1 of the Rate and Method of Apportionment.

For each fiscal year following the Base Year (Fiscal Year 2024/25), the initial Maximum Special Tax rates shall be automatically increased in accordance with the Annual Escalation Factor.

The budget below represents the estimated cost of Services within the CFD. The City's budget was used to calculate the initial CFD Budget for Fiscal Year 2024/25 and Special Tax rates and was the basis for the amount necessary to pay for the CFD's proportionate share of the Services, which are in addition to the Services already provided to the area, if any, before the CFD was created. The budget is expected to increase as annexations to the CFD occur.

CFD 2024-1	
Fiscal Year 2024/25	
Description	Estimated Budget
Landscape Maintenance Contract	\$35,000
Park Maintenance	35,000
Landscape Utilities	9,000
Tree Maintenance	8,500
Streetlight Utilities	7,200
Storm Drainage Maintenance	10,000
Street Maintenance	19,000
CFD Administration	10,000
Total	\$133,700

The estimated budget may increase after Fiscal Year 2024/25 due to new development and cost inflation.

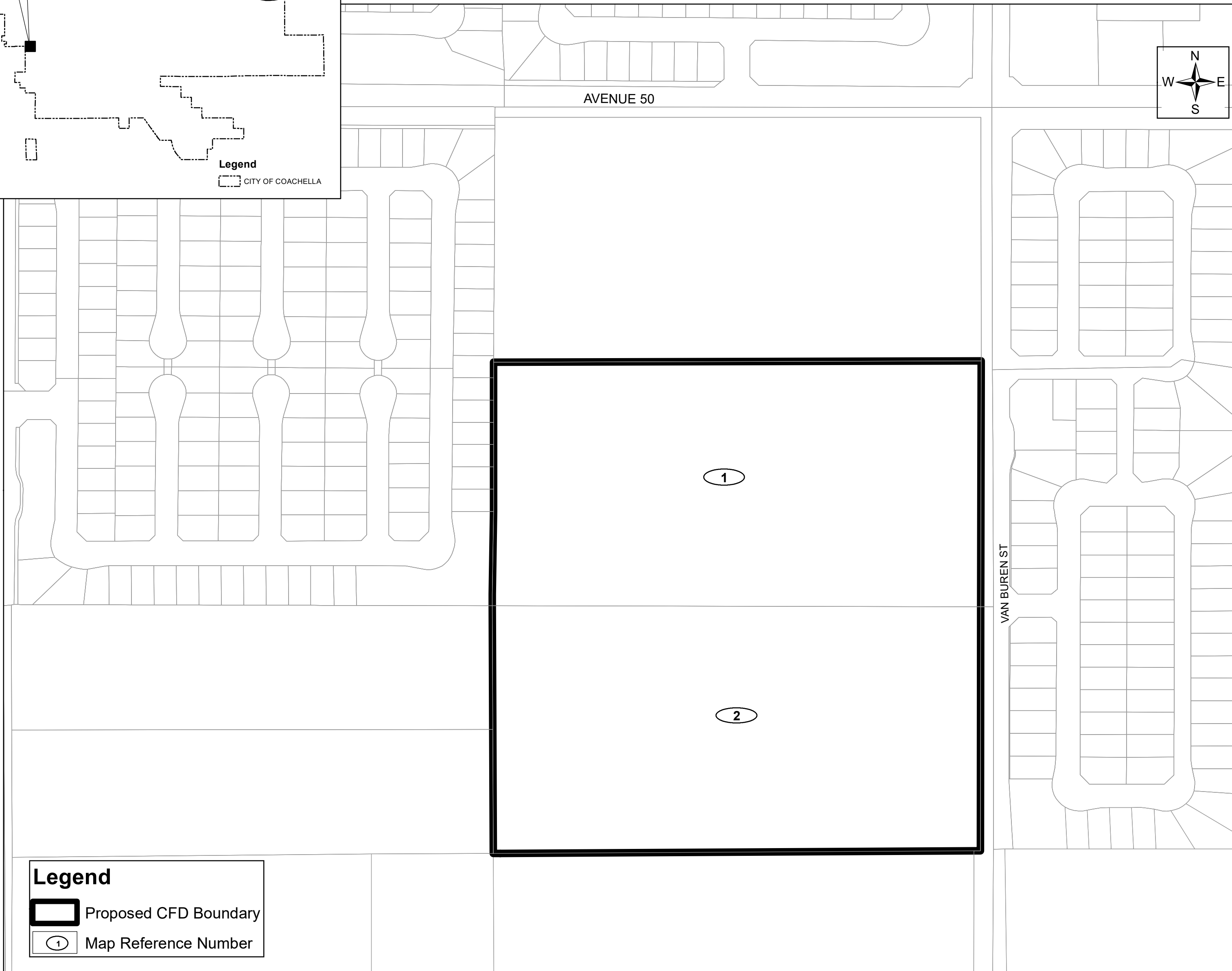
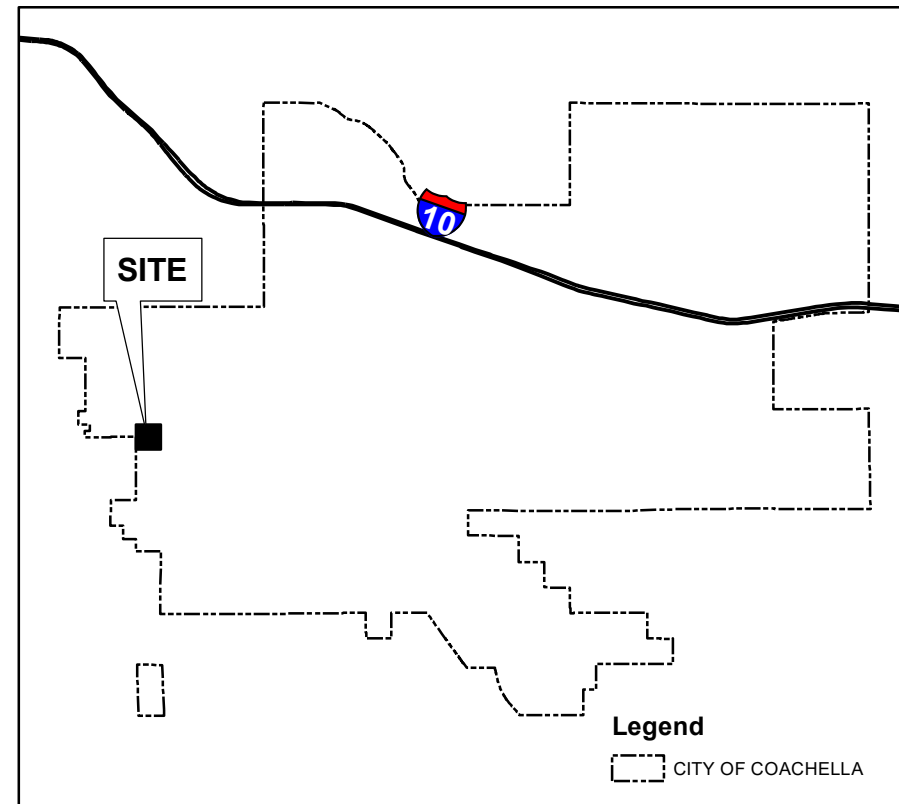
IV. DESCRIPTION OF BOUNDARIES

A description of the exterior boundaries of the territory proposed for inclusion in the CFD, including properties and parcels of land proposed to be subject to the levy of a special tax by the CFD, is as shown on the boundary map designated as “PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2024-1 (PUBLIC SERVICES),” which is on file in the office of the City Clerk and is shown as follows for reference.

MAP OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2024-1 (PUBLIC SERVICES)

CITY OF COACHELLA
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

VICINITY MAP



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 20__.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2024-1 (PUBLIC SERVICES), CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF COACHELLA AT A REGULAR MEETING THEREOF, HELD ON THE _____, DAY OF _____, 20__, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF COACHELLA

FILED THIS _____ DAY OF _____, 20__, AT THE HOUR OF _____ O'CLOCK ____M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____, IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

PETER ALDANA, ASSESSOR-COUNTY CLERK-RECORDER

BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	779-280-002
2	779-320-001

Legend
 Proposed CFD Boundary
 Map Reference Number



V. RATE AND METHOD OF APPORTIONMENT

A Special Tax of City of Coachella Community Facilities District No. 2024-1 (Public Services) (“CFD”) shall be levied on all Assessor's Parcels within the CFD and collected each Fiscal Year commencing in Fiscal Year 2024/25 in an amount determined by the Special Tax Administrator through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Act” means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended.

“Administrative Expenses” means the following actual or reasonably estimated costs incurred by the City as administrator of the CFD, provided that such costs are directly related to administration of the CFD: costs to determine, levy and collect the Special Taxes, including an allocable share of the salaries and benefits of City employees, the fees of consultants, and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls, including any charges levied by County departments; and the preparation of required reports and any other costs required to administer the CFD in accordance with the Act, as determined by the City.

“Affordable Housing” means for each Fiscal Year, any Residential Unit(s) located on an Assessor's Parcel of Developed Property that is available at an affordable housing cost due to a regulatory agreement of no less than 15 years, restricting 100% of the Residential Unit(s) on the Assessor's Parcel of Developed Property to be affordable to households that are extremely low to low income, as defined in Health and Safety Code Section 50079.5. The City will have the authority to approve and establish policies regarding Affordable Housing and their status.

“Annual Escalation Factor” means the greater of (i) two percent (2%) or (ii) the Annual percentage increase in the Consumer Price Index for All Urban Consumers for Riverside-San Bernardino-Ontario, CA Area (not seasonally adjusted) as determined by the Bureau of Labor Statistics. If said index is discontinued, then an alternative index may be used as determined by the Special Tax Administrator.

“Assessor's Parcel” means a Lot or parcel of land shown on an Assessor's Parcel Map with a parcel number assigned by the Assessor of the County that corresponds to a number shown on the County Assessor's roll.

“Assessor's Parcel Map” means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

“Attached Residential” means an Assessor's Parcel of Developed Property, which is not Affordable Housing Property, within the CFD for which a Building Permit has been issued for purposes of constructing a residential structure or structures sharing common walls and/or common spaces, qualified as Attached Residential at the City's discretion, consisting of two or more Dwelling Units, including, but not limited to duplexes, triplexes, and apartment units, as of June 30th preceding the Fiscal Year in which the Special Tax is being levied.

“Base Year” means Fiscal Year ending June 30, 2025.

“Building Permit” means a permit issued for new construction of a residential or non-residential structure. For purposes of this definition, “Building Permit” shall not include permits issued solely for grading, utility improvements, or other such improvements that are constructed and installed and are not intended for human occupancy.

“CFD” means City of Coachella Community Facilities District No. 2024-1 (Public Services).

“City” means the City of Coachella.

“City Clerk” means the City Clerk for the City or his or her designee.

“Council” means the City Council of the City, acting as the legislative body of the CFD.

“County” means the County of Riverside, California.

“Detached Residential” means an Assessors' Parcel of Developed Property within the CFD, which is not Affordable Housing Property, for which a Building Permit has been issued for purposes of constructing a residential structure consisting of one single-family detached Dwelling Unit, including Mobile Homes, as of June 30th preceding the Fiscal Year in which the Special Tax is being levied.

“Developed Property” means, for Detached Residential, Attached Residential, or Affordable Housing Property, an Assessor's Parcel within the CFD for which a Building Permit was issued on or prior to June 30th preceding the Fiscal Year in which the Special Tax is being levied, based on the number of Dwelling Units or Building Square Footage, as applicable, per City or County records for that Assessor's Parcel.

“Drainage Maintenance Requirement” means for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing the labor, material, testing, reporting, remediation, permitting, general administration, personnel, equipment and utilities necessary to maintain public drainage improvements for, within, or associated with the CFD, including drain inlets, filters, detention basin, storm drain pipeline, and associated appurtenant facilities located within, or associated with, the CFD.

“Dwelling Unit” means each separate residential unit that comprises an independent facility capable of conveyance or rental separate from adjacent residential units, in which a person or persons may live, which comprises an independent facility and is not considered to be for non-residential use only, and as defined in the City of Coachella's Municipal Code.

“Exempt Property” means for each Fiscal Year, an Assessor's Parcel within the CFD not subject to the Special Tax. Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement such as railroad parcels, roads and landscape lots, (iv) property reasonably designated by the City or Special Tax Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors that may make development of such property impractical for human occupancy, and (v) Welfare Exemption Property.

“Final Map” means an Assessor's Parcel Map, a Final Subdivision Map, parcel map, condominium plan, or any other map functionally considered to be an equivalent development map that has been recorded in the Office of the County Recorder.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Landscaping and Lighting Maintenance Requirement” means for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing landscaping and lighting maintenance within, or associated with the CFD, including the labor, material, administration, personnel, equipment and utilities (i.e., water and power) necessary to maintain public landscaping and lighting improvements for, within, or associated with the CFD, including trees, turf, ground cover, shrubs, weed removal, irrigation systems, sidewalk, drainage facilities, lighting, signs, monuments, graffiti removal, walkways, and associated appurtenant facilities located within, or associated with, the CFD.

“Land Use Class” means any of the classes listed in Table 1 and defined herein.

“Lot” means an individual legal lot created by an Assessor's Parcel Map or Final Map.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C below, that can be levied by the CFD in any Fiscal Year on any Assessor’s Parcel.

“Mobile Home” means a vehicle designed and equipped for human habitation as defined by the California Health & Safety Code § 18008.

“Park” means a public park, open space, trail, dog park dedicated to and/or managed by the City of Coachella.

“Park Maintenance Requirement” means, for any Fiscal means, for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing park maintenance services within, or associated with the CFD, including but not limited to (i) the costs of contracting for park maintenance services, including trees, plant material, restrooms, irrigation systems, sidewalks, drainage facilities, weed control, lighting, and parking lot maintenance, (ii) the salaries and benefits of City staff, including maintenance staff, that directly provide park maintenance services, (iii) the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) utility costs such as water, sewer, lighting and power and (v) City overhead costs associated with providing such services.

“Property Owner Association Property” means, for each Fiscal Year, any property within the CFD that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder, to a property owner association, including any master or sub-association, which consists of property owned in common by owners of surrounding properties and it is intended for use for community purposes.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied per Assessor’s Parcel of Developed Property to the Maximum Special Tax per Assessor’s Parcel of Developed Property is equal for all Assessor’s Parcels of Developed Property. **“Proportionately”** means, for Undeveloped Property, that the ratio of the actual Special Tax levied per Assessor’s Parcel of Undeveloped Property to the Maximum Special Tax per Assessor’s Parcel of Undeveloped Property is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means, in any Fiscal Year: (i) all Parcels within the boundaries of the CFD that are owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that Taxable City Property shall not be categorized as Public Property, and any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; and (ii) all Parcels within the boundaries of the CFD that are encumbered by an

unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Reserve Fund” means a fund that shall be created and maintained for the CFD for each Fiscal Year to provide necessary cash flow to cover maintenance and operational cost overruns, and delinquencies in the payment of Special Taxes.

“Special Tax” means the Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections C and D, below.

“Special Tax Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“Special Tax Requirement” means the sum of (i) Streetscape and Landscape Maintenance Requirement, (ii) Administrative Expenses of the CFD, and (iii) and any amounts required to establish or replenish a Reserve Fund for that Fiscal Year.

“State” means the State of California.

“Street Maintenance Requirement” means, for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing the labor, material, administration, personnel, equipment and utilities necessary to maintain public streets, streetlights and associated appurtenant facilities for, within, or associated with the CFD, including City overhead costs associated with providing such services within the CFD.

“Streetscape and Landscape Maintenance Requirement” means the sum of the Landscaping and Lighting Maintenance Requirement, the Park Maintenance Requirement, the Street Maintenance Requirement, and the Drainage Maintenance Requirement.

“Taxable Property” means all Assessor’s Parcels of Developed Property and Undeveloped Property within the CFD that are not Exempt from the Special Tax pursuant to law or as defined herein.

“Undeveloped Property” means, for each Fiscal Year, an Assessor’s Parcel within the CFD for which a Building Permit has not been issued on or prior to June 30th preceding the Fiscal Year in which the Special Tax is being levied and is not classified as Exempt Property.

“Welfare Exemption Property” means, in any Fiscal Year, any Parcels that have received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code and for which such welfare exemption is still in place.

B. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, commencing with Fiscal Year 2024/25, using the definitions above, each Assessor’s Parcel within the CFD shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, beginning with Fiscal Year 2024/25, Taxable Property shall be further classified as Attached Residential, Detached Residential, Affordable Housing Property, or Undeveloped Property.

C. MAXIMUM SPECIAL TAX RATES

Land Use Class	Land Use Description	Fiscal Year 2024/25 Maximum Special Tax Rate
1	Detached Residential	\$655 per Dwelling Unit
2	Attached Residential	\$524 per Dwelling Unit
3	Affordable Housing Property	\$306 per Dwelling Unit
4	Undeveloped Property	\$4,247 per Lot acre

For each Fiscal Year following the Base Year, the Maximum Special Tax rates shall be increased by the Annual Escalation Factor. A different Maximum Special Tax may be added to the CFD as a result of future annexations or if future annexations involve a new Land Use Class.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2024/25, and for each subsequent Fiscal Year, the Special Tax Administrator shall calculate the Special Tax Requirement based on the definitions in Section A and levy the Special Tax as follows until the amount of the Special Tax levied equals the Special Tax Requirement:

Step 1: The Special Tax shall be Proportionately levied each Fiscal Year on each Assessor’s Parcel of Developed Property up to 100% of the applicable Maximum Special Tax to meet the Special Tax Requirement. The applicable Maximum Special Tax shall be based on the Developed Property’s classification as Detached Residential, Attached Residential, or Affordable Housing Property.

Step 2: If after applying the method of apportionment in Step 1, if additional funds are needed to satisfy the Special Tax Requirement, the Special Tax shall be Proportionately levied each Fiscal Year on each Assessor’s Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax to meet the remainder of the Special Tax Requirement needed. The applicable

Maximum Special Tax shall be based on the Undeveloped Property's classification.

E. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section A.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section A, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Sections B, C, and D.

F. APPEALS

Any landowner who pays the Special Tax and believes that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the Special Tax Administrator regarding such error. If following such consultation, the Special Tax Administrator determines that an error has occurred, the Special Tax Administrator may amend the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, the landowner believes such error still exists, such person may file a written notice with the City Clerk of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. Upon the receipt of any such written notice, the City Clerk shall forward a copy of such notice to the City Finance Director, who shall either (1) refer the matter to the City's existing hearing board for administrative appeals; or (2) establish as part of the proceedings and administration of the CFD, a special three-member Review/Appeal Committee. The Review/Appeal Committee may establish such procedures, as it deems necessary to undertake the review of any such appeal. The hearing board or Review/Appeal Committee shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any landowner appeals, as herein specified. The decision of the hearing board or Review/Appeal Committee shall be final and binding to all persons.

G. MANNER OF COLLECTION

Special Taxes levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided however that (i) the CFD may directly bill the Special Tax, and (ii) the CFD may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the City Council.

H. TERM OF SPECIAL TAX

Taxable Property in the CFD shall remain subject to the Special Tax in perpetuity or until the City Council takes appropriate actions to terminate the Special Tax pursuant to the Act.