



STAFF REPORT
12/9/2020

TO: Honorable Mayor and City Council Members

FROM: Luis Lopez, Development Services Director

SUBJECT: Community Facilities District (CFD 2005-01) – Annexation No. 32 CV Apartments by Community Housing Opportunities Corporation (CHOC) located at 84-900 Bagdad Avenue.

SPECIFICS:

- a) Resolution No. 2020-75 Determining the Validity of Prior Proceedings relating to Annexation of Property (Annexation No. 32) in the City of Coachella CFD No. 2005-01 (Law Enforcement, Fire and Paramedic Services).
- b) Resolution No. 2020-76 on Behalf of CFD No. 2005-01 Calling a Special Election within Annexation Area No. 32 (Parcel Map 37833).
- c) Resolution No. 2020-77 Canvassing The Results of The Election Held Within CFD No. 2005-01 (Area No. 32)
- d) Ordinance No.1170 on Behalf of CFD No. 2005-01 Authorizing the Levy of a Special Tax within Annexation Area No. 32 Annexed to Said District (*1st Reading*)

STAFF RECOMMENDATION:

Staff recommends that the City Council open the public hearing to take public testimony, and take the following actions:

- 1) Adopt Resolution No. 2020-75 and Direct City Clerk to orally verify proof of publication of notices pursuant to Mello-Roos CFD Act of 1982, and confirm absence of any landowner protest;
- 2) Adopt Resolution No. 2020-76 Calling a Special Election.
- 3) Adopt Resolution No. 2020-77 Canvassing the Results of The Election within CFD No. 2005-01 (Annexation Area No. 32)
- 4) Introduce for 1st Reading, by title only, Ordinance No. 1170 Authorizing the Levy of a Special Tax within Annexation Area No. 32 Annexed to CFD No. 2005-01.

BACKGROUND:

On September 14, 2005 the City Council adopted Resolution No. 2005-93 establishing the City of Coachella Community Facilities District No. 2005-01 (Law Enforcement, Fire and Paramedic

Services) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended. The District and several annexations of territory have been established in the City of Coachella over the past 15 years. The annexation areas consist of new residential subdivisions and multifamily residential development projects.

On October 14, 2020 the City Council adopted Resolution No. 2020-57 stating its intention to annex certain property, consisting of Parcel Map 37833 (“Annexation Area No. 32”) also known as the “Coachella Valley Apartments” site into the District pursuant to the Act. A copy of Resolution No. 2020-57 which includes a description and map of Annexation Area No. 32, and the rate and method of apportionment and manner of collection of the special tax are on file with the City Clerk.

DISCUSSION/ANALYSIS:

Pursuant to the conditions of approval imposed on Architectural Review No. 19-10 as approved by the Planning Commission for the proposed Coachella Valley Apartments project (consisting of demolition of 50 existing dwelling units and the construction of a new 110-unit multifamily apartments with detached carports and a community building) on 5.76 acres of developed land located at 84-900 Bagdad Avenue, the project site must be annexed into the City-wide Community Facilities District (CFD No. 2005-01). The City Council took the first step in this process by adopting a resolution of intention on October 14, 2020 (Resolution No. 2020-57) describing the property in question.

The resolution of intention affirmed the Annexation 32 Map, and the rate and method of tax collection for the annexed property. The CFD is collected through the annual property tax assessment rolls and, for this project, may be subject to a subsequent Agreement for deferral of assessments. The City has previously entered into CFD assessment financing agreements on new affordable housing developments, and the proposed project qualifies as an affordable housing development. There is currently one landowner and they have filed a “Petition and Waiver” with the City Clerk’s Office certifying their desire to create the District under shortened timelines.

Attached for the City Council’s review and approval are the following resolutions and Ordinance action items:

Resolution 2020-75 of the City Council Determining the Validity of Prior Proceedings relating to Annexation of Property (Annexation 32) in the City of Coachella Community Facilities District No. 2005-01 (Law Enforcement, Fire and Paramedic Services).

Resolution 2020-76 of the City Council acting on Behalf of the City of Coachella Community Facilities District No. 2005-01 (Law Enforcement, Fire and Paramedic Services) Calling a Special Election within Annexation Area 32.

Resolution 2020-77 of the City Council acting on Behalf of the City of Coachella Community Facilities District No. 2005-01 (Law Enforcement, Fire and Paramedic Services) Canvassing the Results of the Election Held Within Annexation Area No. 32 Annexed to Said District.

Ordinance No. 1170 - An Ordinance of the City Council acting on Behalf of the City of Coachella Community Facilities District No. 2005-01 (Law Enforcement, Fire and Paramedic Services) Authorizing the Levy of a Special Tax Within Annexation Area No. 32 Annexed to Said District (First Reading).

On the night of the public hearing, staff will provide the Mayor, or designee, with specific instructions on the necessary procedures and public announcements for conducting the above public hearings, and adopting the resolution and ordinance actions.

FISCAL IMPACT:

The attached resolutions and ordinance actions would pave the way to annex the Coachella Valley Apartments site (Annexation No. 32) into the City-wide CFD which would collect an annual assessment that pays for Law Enforcement, Fire and Paramedic Services. The current rate and apportionment method would collect \$1,231.82 for every dwelling unit that is constructed within the developed multifamily residential project. Ultimately these funds will be used to augment the operating costs for police, fire, and paramedic services in the City of Coachella. However, if the City Council authorizes the CFD financing agreement (Affordable Housing Loan) then the City would only collect a small portion of these funds in the future based on residual property income.

ALTERNATIVES:

1. Adopt the attached resolutions and introduce Ordinance for 1st Reading, by title only.
2. Continue this item and provide staff with direction.
3. Take no action.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1 as noted above.

Attachments: Resolution No. 2020-75
 Resolution No. 2020-76
 Resolution No. 2020-77
 Ordinance No. 1170 (1st Reading)
 Petition & Waiver
 CFD Annexation Map 32
 Owner's Official Ballot
 Rate and Method (CFD 2005-01)
 CFD 2005-01 Report (Annexation of Area 32)