



STAFF REPORT
5/13/2020

TO: Honorable Mayor and City Council Members

FROM: Luis Lopez, Development Services Director

SUBJECT: Resolution No. 2020-57 Stating the Intention to Annex Property into City of Coachella Community Facilities District No. 2005-1 (Law Enforcement, Fire and Paramedic Services) and Authorize the Levy of a Special Tax Within Annexation Area No. 32 (Coachella Valley Apartments - Parcel Map No. 37833).

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt the attached Resolution No. 2020-57 stating the intention to annex property located at 84-900 Bagdad Avenue into Community Facilities District No. 2005-01 (CFD 2005-01, Police, Fire and Paramedic Services) and setting a public hearing date for the same.

BACKGROUND:

On September 14, 2005, the City Council adopted Resolution No. 2005-93 establishing the City of Coachella Facilities District No. 2005-01 (Law Enforcement, Fire and Paramedic Services) pursuant to the Mellow-Roos Community Facilities Act of 1982, as amended. The District and numerous annexations of subdivisions and new multifamily residential developments over the past 15 years have been established.

DISCUSSION/ANALYSIS:

The Planning Commission and City Council recently approved the Coachella Valley Apartments project, which includes demolition of 50 older apartment dwellings and the phased construction of a new 110-unit multifamily residential community on 5.76 acres located at 84-900 Bagdad Avenue. The developer is Community Housing Opportunities Corporation (CHOC) which is a Bay-area affordable-housing developer. According to the conditions of approval, the subject site must be annexed into the Community Facilities District No. 2005-01 and the City will be able to levy the special tax on an annual basis for each of the proposed 110 apartment dwellings.

Notwithstanding this Annexation, the developer has requested a CFD Deferral/Loan Agreement from the City that will function as City participation in subsidizing the affordable housing project. Staff recently finalized a similar CFD Loan Agreement for the Pueblo Viejo Villas project, in keeping with the City's administrative practice with respect to affordable housing projects in the

City. If the City Council authorizes a CFD Deferral Agreement, the subject property will avoid the tax levy in the upcoming annual CFD 2005-01 assessments. However, if the owners ever default on the Agreement, or if the project is ever converted into a market-rate apartments project, then the annual assessments can be activated because of this Annexation action.

Attached to this staff report is the Resolution of Intention setting a future public hearing date for the District Annexation No. 32 final actions which will include a special election, canvassing of the results, and an ordinance authorizing the levy of the special tax within Annexation No. 32.

The other attachment to this report is a copy of the CFD Annexation Map for the subject property (5.76 acres located at 84-900 Bagdad Avenue) and the "Rate and Method" for the District.

ALTERNATIVES:

1. Adopt Resolution No. 2020-57 stating the intention to annex property into Community Facilities District No. 2005-01 (CFD 2005-01, Police, Fire and Paramedic Services) and setting a public hearing date for the same
2. Take no action.
3. Continue this item and provide staff with direction.

FISCAL IMPACT:

The City expects to collect an annual assessment of \$1123 per dwelling unit within the District starting in the 2020/2021 fiscal year. This Annexation will result in a new annual assessment of \$123,530 for the project that will remain unrealized if the City Council authorizes a future CFD Deferral/Loan Agreement.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1 as stated above.

Attachments: Resolution No. 29020-57
 Exhibit A - Rate and Method (CFD 2005-01)
 CFD Annexation No. 32 Map