



**STAFF REPORT**  
**9/14/2022**

**TO:** Honorable Mayor and City Council Members

**FROM:** Gabriel Perez, Development Services Director

**SUBJECT:** Community Facilities District (CFD No. 2005-01) Annexation 34 – Villa Verde Apartments (Second Reading)

**SPECIFICS:** Ordinance No. 1197 on Behalf of CFD No. 2005-01 Authorizing the Levy of a Special Tax within Annexation Area No. 34 Annexed to Said District (2<sup>nd</sup> Reading)

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**STAFF RECOMMENDATION:**

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

- 1) Adopt Ordinance No. 1197 Authorizing the Levy of a Special Tax within Annexation Area No. 34 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 17 years. The annexation areas consist of new residential subdivisions and multifamily residential development projects.

On June 8, 2022 the City Council adopted Resolution No. 2022-53 stating its intention to annex certain property, consisting of Villa Verde Apartment project – APN 768-250-002 and 768-300-001 (“Annexation Area No. 34”) into the District pursuant to the Act. A copy of Resolution No. 2022-53, which includes a description and map of Annexation Area No. 34, the rate and method of apportionment and manner of collection of the special tax, are on file with the City Clerk.

On July 27, 2022 the City Council held a public hearing regarding Annexation Area No. 34 and adopted the following:

*Resolution 2022-69 of the City Council Determining the Validity of Prior Proceedings relating to Annexation of Property (Annexation 34) in the City of Coachella Community Facilities District No. 2005-01 (Law Enforcement, Fire and Paramedic Services).*

*Resolution 2022-70 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 34.*

*Resolution 2022-71 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. 34 Annexed to Said District.*

*Ordinance No. 1197 - 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. 34 Annexed to Said District (First Reading).*

### **DISCUSSION/ANALYSIS**

Pursuant to the conditions of approval imposed on Architectural Review No. 19-06, which approved architectural plans for development of a two-story, 152-unit affordable housing development, the project site must be annexed into the City-wide Community Facilities District (CFD No. 2005-01). The City Council canvassed the results of the special election on July 27, 2022 and the property owner voted in favor of annexing into the CFD 2005-1 and therefore approved Ordinance No. 1197 on first reading to authorize the levy of the special tax for Annexation Area No. 34. The City Council must take action to adopt Ordinance No. 1197 by second reading in order to levy the special tax within Annexation 34.

### **FISCAL IMPACT:**

The ordinance actions would pave the way to annex the Villa Verde Apartments site (Annexation No. 34) 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 \$1,348.10 for every dwelling unit that is constructed within the developed multifamily residential project. However, the City has agreed to defer these payments for up to 55 years. Ultimately, these funds will be used to augment the operating costs for police, fire, and paramedic services in the City of Coachella.

### **ALTERNATIVES:**

1. Adopt Ordinance 1197 (2<sup>nd</sup> Reading).
2. Continue this item and provide staff with direction.
3. Take no action.

### **RECOMMENDED ALTERNATIVE(S):**

Staff recommends alternative #1.

Attachments:

1. Ordinance No. 1197 (2<sup>nd</sup> Reading)
2. Exhibit A - Rate and Method (CFD 2005-01)
3. Exhibit B - CFD Annexation Map 34