



STAFF REPORT
5/13/2020

TO: Honorable Mayor and City Council Members

FROM: Luis Lopez, Development Services Director

SUBJECT: Resolution No. 2020-29 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. 31 (Pueblo Viejo Villas - Parcel 2 of Lot Line Adjustment No. 2018-02).

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt the attached Resolution No. 2020-29 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.

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 14 years have been established.

DISCUSSION/ANALYSIS:

Pursuant to the conditions of approval imposed on the Pueblo Viejo Villas mixed-use development project, generally located at the northeast corner of Cesar Chavez Street and 6th Street, the subject site will 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 105 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 is working on two other similar CFD Agreements that are 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 for the District Annexation No. 31 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. 31.

The other attachment to this report is a copy of the CFD Annexation Map for the subject property (2.7 acres located at the northeast corner of Cesar Chavez Street and 6th Street) and the “Rate and Method” for the District.

ALTERNATIVES:

1. Adopt Resolution No. 2020-29 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 \$118,000 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: CFD Annexation No. 31 Map
 Rate and Method (CFD 2005-01)