



STAFF REPORT
7/24/2024

TO: Honorable Mayor and City Council Members

FROM: Anahi Fernandez, Management Analyst

SUBJECT: Adopt Resolution No. 2024-39 authorizing the establishment of an annual special tax for City of Coachella Community Facilities District No. 2005-01 (Law Enforcement, Fire and Paramedic Services) and annexation areas thereto for Fiscal Year 2024/2025.

STAFF RECOMMENDATION:

Staff recommends that the City Council open the public hearing, take any testimony, and adopt Resolution No. 2024-39.

EXECUTIVE SUMMARY:

Resolution No. 2024-39 establishes an updated levy of the special taxes in the Community Facilities District (CFD) 2005-1 and the Annexation Areas in the current tax year at the new rate reflecting the annual Consumer Price Index adjustment for the special taxes. This an annual City Council action item which triggers the certified list of all parcels in the CFD 2005-1 and the Annexation Areas subject to the levy with updated amounts to be levied on each parcel. These will be compiled by the City's consultant and the levy for the current tax year will be sent to the County Auditor-Controller in order for the City to collect the assessments for the 2024/2025 fiscal year.

Through adoption of Resolution No. 2024-39, the City Manager is authorized to determine the specific rates and amounts of the special tax to be collected from taxable parcels within the CFD 2005-1 and the Annexation areas for Fiscal Year 2024/2025. Additionally, the City Manager is authorized to prepare the Fiscal Year 2024/2025 Certified List and to submit such list to the County Auditor on or before August 10, 2024.

BACKGROUND:

The City Council initiated proceedings, held a public hearing, conducted an election and received a favorable vote from the qualified electors to authorize the levy of special taxes in City of Coachella Community Facilities District No. 2005-1 (Law Enforcement, Fire and Paramedic Services), Annexation Area Nos. 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33, 34 and 35 of the 2005-1 CFD, all as authorized pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982."

Commencing with Fiscal Year 2005/2006 and for each following Fiscal Year, the City Council has levied the Special Tax at the Maximum Special Tax on all Developed Single-Family Residential Property and Developed Multi-Family Residential Property for which a building permit for the construction of residential units are issued prior to June 30 of the prior fiscal year.

DISCUSSION/ANALYSIS:

A review of new building permits issued by the City's Building Division for the current Fiscal Year 2023/2024 reveals that there were 34 new qualifying single-family dwelling units and 108 new qualifying multifamily unit permits issued within the Community Facility District 2005-01 boundaries or annexation areas, compared to one hundred ninety-eight (198) single family units and zero (0) multifamily units for Fiscal Year 2022/2023. The City issued permits for homes inside Bellissima (Tract No. 31978) by developer Pulte Homes and for the Tripoli Apartments by developer Chelsea Investment Corporation.

Accordingly, there will be 142 new properties added to the Fiscal Year 2024/2025 assessment. Additionally, the Consumer Price Index adjustment will increase the annual assessment by 4.65% based on the U.S. Department of Labor Statistics for Riverside-San Bernardino-Ontario, California. Therefore, the new annual assessment will increase from \$1,449.08 to \$1,516.52. This equates to a change in total anticipated levy from \$2,908,303.86 to \$3,259,002.62 or an increase of \$350,698.76. The final special tax roll for the new assessments will be sent to the County Assessor prior to August 10, 2024.

ALTERNATIVES:

1. Approve Resolution No. 2024- 39 as requested.
2. Take no action.
3. Continue this item and provide staff with direction.

FISCAL IMPACT:

The total projected levy for the City of Coachella Community Facilities District No. 2005-1 (Law Enforcement, Fire and Paramedic Services) in Fiscal Year 2024/25 is \$3,259,002.62 and funds are used for police, fire and paramedic services. The CFD term runs in perpetuity, and for the 2024/2025 fiscal year the annual assessments will include a 4.65% CPI escalator to adjust for inflation as compared to the 2023/2024 assessment.

RECOMMENDED ALTERNATIVE(S):

Staff recommends alternative #1.

Attachments:

Attachment 1: Resolution No. 2024-39

Attachment 2: New Dwelling Unit Permits 2023/2024

Attachment 3: Map of 2024/2025 CFD Assessed Tracts