



STAFF REPORT
7/24/2024

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Adopt Resolution No. 2024-42 declaring its intention to establish City of Coachella Community Facilities District No. 2024-1 (Public Services) and to authorize the levy of a special tax therein to finance certain services; setting public hearing date as September 11, 2024.

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt the attached Resolution No. 2024-42 declaring its intention to establish City of Coachella Community Facilities District No. 2024-1 (Public Services) (CFD 2024-1) and to authorize the levy of a special tax therein to finance certain services; setting a public hearing date as September 11, 2024.

BACKGROUND:

On March 13, 2024, the City Council of the City of Coachella approved Resolution No. 2024-09, approving Final Tract Map No. 38557-1 (Sevilla II). The Project will consist of a 204-lot residential development. The project includes pedestrian sidewalks; landscaping; an approximate 1.0-acre recreational park area; an approximate 1.37-acre water retention basin; an approximate 0.23-acre dedicated future well site; monument signage; and street and utility improvements.

DISCUSSION/ANALYSIS:

The attached resolution will begin the proceedings to form Community Facilities District 2024-1 (Public Services) ("CFD 2024-1"). The conditions of development of the Project requires it to be part of a CFD to provide funding to offset the increased cost of public services created due to new development for park maintenance, landscaping and lighting maintenance, drainage maintenance and street maintenance.

To fund the impact of new development on the City's public services, staff recommends that the City Council consider establishing CFD 2024-1 (Public Services), a Mello-Roos Community Facilities District, by adopting a Resolution of Intent to form the district, with the intention that future development within the City of Coachella (the "City") may annex into this district, at the City's discretion. The special taxes collected from the property owners within the proposed CFD 2024-1 are to be used for the funding of park maintenance, landscaping and lighting maintenance,

drainage maintenance and street maintenance required due to the development of the property within the proposed CFD 2024-1.

The Project proposed for inclusion in the CFD 2024-1 is owned by Pulte Home Company, LLC and is generally located west of Van Buren Street and south of Avenue 50. The Project currently includes the development of 204 single family residential parcels. The boundary of the annexation includes the area within assessor's parcel numbers 779-280-002 and 779-320-001 as depicted on Exhibit A.

Development of these properties changes the characteristics of undeveloped land. The development of them will intensify the use of the properties, creating a need for more services within the City.

As part of the formation process, the City contracts with Willdan Financial Services for the preparation of the necessary resolutions and balloting procedures for the formation.

The Resolution of Intention is the first step in the process of forming CFD 2024-1. The resolution also establishes September 11, 2024 as the public hearing date for the final consideration of forming CFD 2024-1. Once the formation is complete, and the election results are at least two-thirds approval, the property owners of the development will be required to pay annual special taxes for CFD 2024-1, beginning the fiscal year after they are issued a building permit, as itemized on their property tax bill, in accordance with the rate set forth in the Rate and Method of Apportionment of Special Tax.

FISCAL IMPACT:

The City expects to collect an annual special tax of \$655 plus CPI per detached dwelling unit within CFD 2024-1, beginning the fiscal year after they are issued a building permit, as itemized on their property tax bill, in accordance with the rate set forth in the Rate and Method of Apportionment of Special Tax. CFD 2024-1 will result in a new annual special tax of \$133,620 for 204 single family residential parcels, subject to annual inflationary adjustment, for the project.

Attachments:

Resolution No. 2024-42

- Exhibit A – Boundary Map
- Exhibit B - Rate and Method (CFD 2024-1)