



# STAFF REPORT

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August 17, 2022  
File Number 0685-10

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## **SUBJECT**

**ANNEXING PROPERTY TO CITYWIDE SERVICES COMMUNITY FACILITIES DISTRICT (CFD) 2020-1**

## **DEPARTMENT**

Development Services

## **RECOMMENDATION**

Request that City Council adopt Resolution No. 2022-65 annexing eight (8) projects containing 150 units into the Citywide Services CFD 2020-1. Each property owner has voluntarily provided a signed form consenting to annexation as a streamlined method for offsetting the cost of ongoing municipal services.

Staff Recommendation: Approval and File (Development Services: Andrew Firestine, Director of Development Services)

Presenter: Allen Yun, Management Analyst II

## **FISCAL ANALYSIS**

Prior to the economic impacts of COVID-19, the General Fund long-term financial plan projected annual deficits growing to \$13 million by Fiscal Year 2023/24.

## **PREVIOUS ACTION**

On June 12, 2019, the City Council directed staff to investigate all options to address the structural budget deficit to ensure the budget deficit does not grow as the City develops, including evaluating the feasibility of a Citywide Services CFD as a streamlined means for projects to offset their ongoing impact to the general fund.

On May 13, 2020, the City Council held a duly noticed public hearing and adopted Resolution No. 2020-44 (Resolution of Formation) establishing CFD 2020-1, the Citywide Services CFD.

On September 16, 2020, the City Council adopted Resolution No. 2020-115 annexing five projects with 66 units into CFD 2020-1 creating the second (2) zone of the Services CFD (Zone 2020-2).

On October 21, 2020, the City Council adopted Resolution No. 2020-147 annexing a 42-unit project located at 2608 S. Escondido Blvd. into CFD 2020-1 and creating the third (3) zone of the Services CFD (Zone 2020-03).



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On November 18, 2020, the City Council adopted Resolution No. 2020-160 annexing two (2) projects containing 21 units into CFD 2020-1 creating the fourth zone of the Services CFD (Zone 2020-04).

On July 21, 2021, the City Council adopted Resolution No. 2021-77 approving the special tax rate for CFD 2020-1 (Public Services).

On September 15, 2021, the City Council adopted Resolution No. 2021-130 annexing three (3) projects containing 65 units into CFD 2020-1 creating the fifth (5) zone of the Services CFD (Zone 2020-5).

On March 2, 2022, the City Council adopted Resolution No. 2022-14 annexing two (2) projects containing 44 units into CFD 2020-1 creating the sixth (6) zone of the Services CFD (Zone 2020-6).

### BACKGROUND

The goal of the Citywide Services CFD is to provide a streamlined way to make new development revenue neutral such that existing residents do not subsidize development. Annexing into the Services CFD, after approval by the City Council, is an efficient way to allow property owners to fund the costs of providing ongoing public services to their project and avoids widening of the structural budget deficit as a result of new development.

Zone 2020-7 will be the seventh (7) zone of the Citywide Services CFD that is comprised of eight (8) projects totaling 150 units. The following projects have provided forms consenting to the annexation of the property into the Citywide Services CFD.

### Zone 2020-7 Annexation Table Detailing Special Tax Rates Applicable for FY 2022/23:

**Annexation Table Detailing Special Tax Rates Applicable for FY 2022/23:**

Zone	Land Use Category	Density	Assessor Parcel No(s).	Unit	Annual Special Tax Per Unit*	Annual Special Tax Total
2020-7	1	Less than 5.5 DU/Acre	235-202-59-00	1 DU	\$575.19	\$575.19
2020-7	1	Less than 5.5 DU/Acre	224-143-50-00	1 DU	\$575.19	\$575.19
2020-7	1	Less than 5.5 DU/Acre	238-110-35-00	5 DU	\$575.19	\$2,875.95
2020-7	1	Less than 5.5 DU/Acre	227-180-27-00	6 DU	\$575.19	\$3,451.14
2020-7	1	Less than 5.5 DU/Acre	236-335-53-00	1 DU	\$575.19	\$575.19



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2020-7	1	Less than 5.5 DU/Acre	232-333-16-00	1 DU	\$575.19	\$575.19
2020-7	1	Less than 5.5 DU/Acre	233-111-16-00	1 DU	\$575.19	\$575.19
2020-7	2	5.5 – 18 Units/Acre	224-260-23-00 224-260-46-00 224-260-47-00	134 DU	\$797.33	\$106,842.22

*\* For FY 2022/23 in accordance with the RMA for CFD 2020-1 (Services)*

Annual Levy: Prior to July 30th of each year, the special tax levy will be set by the City Council for all properties within CFD 2020-1. The special tax for CFD 2020-1 will escalate at the maximum rate of inflation as determined by the Consumer Price Index (CPI) and at a minimum rate of 2% per year.

Including the above parcels proposed for annexation, the Citywide Services CFD will provide a convenient method for 23 projects totaling 769 units to offset the ongoing costs to provide municipal services. It is estimated that \$545,000.00 in annual costs are necessary to provide these residential units with future municipal services.

### RESOLUTIONS

- a. RESOLUTION NO. 2022-65
- b. RESOLUTION NO. 2022-65 – Exhibit A – Unanimous Approvals
- c. RESOLUTION NO. 2022-65 – Exhibit B – CFD Boundary Map
- d. RESOLUTION NO. 2022-65 – Exhibit C – Rate and Method of Apportionment of Special Taxes
- e. RESOLUTION NO. 2022-65 – Exhibit D – Legal Descriptions