

REPORT TO THE CITY COUNCIL



DATE: July 5, 2017

TITLE: Levy and Collection of Special Taxes Within Community Facilities District No. 2010-1 to Fund Improvements for Fiscal Year 2017-2018

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Reviewed by: Joseph M. Tanner, Administrative Services Director

RECOMMENDATION

- 1) Staff Report;
- 2) Entertain questions of Staff from the City Council;
- 3) Open the Public Hearing;
- 4) Take public testimony;
- 5) Close the Public Hearing;
- 6) City Council discussion and questions of Staff;
- 7) Adopt a Resolution of the City Council of the City of Desert Hot Springs, California, Approving the Levy and Collection of Special Taxes within the Community Facilities District No. 2010-1 (Services) for Fiscal Year 2017-18

BACKGROUND

The City formed the City of Desert Hot Springs Community Facilities District No. 2010-1 (Services) ("CFD 2010-1") under and pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code §§53311-53368.3) ("Act"). CFD 2010-1 was formed to provide the following services authorized pursuant to Section 53313 of the Act (collectively, the "Services"): maintenance and lighting of parks, parkways, streets, roads and open space, which maintenance and lighting services may include, without limitation, furnishing of electrical power to street lights; repair and replacement of damaged or inoperative light bulbs, fixtures and standards; maintenance (including irrigation and replacement) of landscaping vegetation situated on or adjacent to parks, parkways, streets, roads and open space; maintenance and repair of irrigation facilities; maintenance of public signage; graffiti removal from and maintenance and repair of public structures situated on parks, parkways, streets, roads and open space; maintenance and repair of playground or recreation program equipment or facilities situated on any park; and maintenance and operation of storm drainage and flood protection facilities, including, without limitation, drainage inlets and retention basins.

The CFD 2010-1 is currently comprised of 6 parcels ("CFD Properties"). The first parcel is commonly referred to as Hacienda Hills, (Assessor's Parcel Number 642-081-008) which is approximately 4.33 acres and includes a 60-unit multi-family apartment subdivision. This property is located north of Hacienda Avenue, south of Sumac Drive, generally east of Verbena Drive and west of Foxdale Drive, within the City of Desert Hot Springs. The second parcel is commonly referred to as Dollar General, (Assessor's Parcel Number 641-251-020) which is a commercial property and is approximately 1.87 acres. This property is located north of Two Bunch Palms Trail, south of Ironwood Drive, generally east of Palm Drive and west of Caliente Drive, within the City of Desert Hot Springs. The third parcel is commonly referred to as Sears Holdings, (Assessor's Parcel Number 656-020-037) which is a commercial property approximately 7.21 acres. This property is located south of Two Bunch Palms Trail, west of Palm Drive, and east of West Drive, within the City of Desert Hot Springs. The fourth parcel is a commercial property referred to as YK Spa, (Assessor Parcel Number 642-162-017) which is approximately 3.80 acres. This property is located south of Hacienda Avenue, east of La Salle Road, west of Casa Loma Road, and north of Tow Bunch Palm Trail. The fifth parcel is a commercial property referred to as Canndescent, (Assessor Parcel Number 665-030-057) which

is approximately 1.07 acres. This property is located north of San Jacinto Lane, south of 14th Ave, east of Little Morongo Road, and east of Cabot Road. The sixth parcel is an industrial property referred to as DHS Property Investments, LLC (Assessor Parcel Number 665-030-062) which is approximately 1.07 acres. This property is located north of San Jacinto Lane, south of 14th Ave, east of Little Morongo Road, and east of Cabot Road.

Pursuant to the Rate and Method of Apportionment, a copy of which is attached hereto, for each fiscal year following the fiscal year an assessor's parcel is levied, the applicable Assigned Special Tax (as defined in the Rate and Method of Apportionment) shall increase by (i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles-Riverside-Orange County (1982-84=100) since the beginning of the preceding fiscal year, or (ii) by 2.5%, whichever is greater on each subsequent July 1 for the fiscal year then commencing.

DISCUSSION

Annually, the City Council determines the amount of the special tax for CFD 2010-1 that should be charged to cover expenses for the services as calculated by a mathematical formula established by Resolution No. 2010-037, adopted on July 6th, 2010. Resolution No. 2010-037 authorized and levied the special taxes within CFD 2010-1.

The Fiscal Year 2017-18 special tax for the CFD Properties is proposed to be levied at approximately \$11,819 (\$2,964 for APN 642-081-008, \$834 for APN 641-251-020, \$2,506 for APN 663-290-003, \$2,017 for APN 656-020-037, \$1,015 for APN 642-162-017, \$1,562 for APN 665-030-057 and \$919 for APN 665-030-062).

FISCAL IMPACT

The seven parcels included within Community Facilities District No. 2010-1 (Services) will generate a total of \$11,819 in special taxes for Fiscal Year 2017-18. Expenses for the Services are estimated at approximately \$11,819.

EXHIBIT(S)

- 1) Resolution – Community Facilities District No. 2010-1 (Services) for Fiscal Year 2017-2018
- 2) Preliminary Special Taxes for Fiscal Year 2017-2018
- 3) Rate and Method of Apportionment