

## REPORT TO THE CITY COUNCIL



**DATE:** July 3, 2018

**TITLE:** Community Facilities District No 2010-1 Levy and Collection of Special Taxes to fund the Maintenance of the Improvements for Fiscal Year 2018-2019

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**Reviewed by:** Linda Kelly, Finance Director

### RECOMMENDATION

**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 2018-2019.**

### 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 the following annexations:

| Annexation                                       | Land Use Category        | Acreage | Benefit Units |
|--|--------------------------|---------|---------------|
| Original (Hacienda Hills)                        | Multi-Family Residential | 4.43    | 36            |
| Annex No. 3 (Dollar General)                     | Commercial               | 1.87    | 9.37          |
| Annex No. 4 (Pierson Plaza)                      | Commercial               | 6.81    | 34.05         |
| Annex No 5 (Sears Holdings)                      | Commercial               | 7.21    | 36.05         |
| Annex No 6 (YK Spa)                              | Commercial               | 0.76    | 3.8           |
| Annex No. 8 (Canndescent)                        | Commercial               | 5.35    | 5.35          |
| Annex No. 9 (DHS Property Investment) CUP 11-16  | Industrial               | 1.07    | 2.14          |
| Annex No. 11 (Clonnetics) CUP 06-15              | Industrial               | 3.78    | 7.56          |
| Annex No. 13 (MERJ) CUP 12-16                    | Industrial               | 9.42    | 18.84         |
| Annex No. 14 (Desert's Finest) CUP 10-14         | Commercial               | 0.33    | 1.65          |
| Annex No. 15 (Bunch Palm Trl.) CUP 23-16         | Industrial               | 2.13    | 4.26          |
| Annex No. 16 (William A. Conner) CUP 12-14       | Commercial               | 1.25    | 6.25          |
| Annex No. 17 (Kamran Amirianfar) CUP 07-16       | Industrial               | 1.26    | 2.52          |
| Annex No. 18 (Kamran Amirianfar) CUP 08-16       | Industrial               | 1.26    | 2.52          |
| Annex No. 19 (Snider Investments, LLC) CUP 02-15 | Industrial               | 14.62   | 29.24         |

| <b>Annexation</b>   | <b>Land Use Category</b> | <b>Acreage</b> | <b>Benefit Units</b> |
|---|--------------------------|----------------|----------------------|
| Annex No. 21 (Taco Bell) CUP 24-16                          | Commercial               | 0.51           | 2.55                 |
| Annex No. 22 (Tim Guderian) CUP 04-16                       | Industrial               | 2.52           | 5.04                 |
| Annex No. 23 (Luna Ventures LLC) CUP 04-15                  | Commercial               | 18.25          | 91.25                |
| Annex No. 24 (DHS Manna LLC) CUP 15-16                      | Commercial               | 1.81           | 9.05                 |
| Annex No. 25 (Desert Grow) CUP 03-17                        | Industrial               | 1.26           | 2.52                 |
| Annex No. 26 (Oxford Properties LLC) CUP 03-15              | Commercial               | 37.43          | 187.15               |
| Annex No. 27 (Coachillin) TPM 37518                         | Industrial               | 153.43         | 306.86               |
| Annex No. 28 (Marapharm DHS California, LLC) CUP 25-16      | Industrial               | 1.12           | 2.24                 |
| Annex No. 29 (BlackStar Industrial Properties LLC) TTM37257 | Industrial               | 28.18          | 56.36                |
| Annex No. 30 (Manlin2 LLC) CUP 14-16                        | Commercial               | 9.75           | 48.75                |
| Annex No. 31 (Hot Desert Springs LLC) CUP 15-17             | Industrial               | 9.77           | 19.54                |

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. In January 2018, the United States Department of Labor, Bureau of Labor Statistics, discontinued the Los Angeles - Riverside - Orange County Consumer Price Index and created a new Riverside - San Bernardino – Ontario Consumer Price Index. This new index is what was used to determine the percent increase in the applicable Assigned Special Tax for Fiscal Year 2018-19.

#### **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 6<sup>th</sup>, 2010. Resolution No. 2010-037 authorized and levied the special taxes within CFD 2010-1.

#### **FISCAL IMPACT:**

The 19 levied annexations included within Community Facilities District No. 2010-1 (Services) will generate a total of \$264,887 in special taxes for Fiscal Year 2018-19. Expenses and reserve collections for the Services are estimated at approximately \$264,887.

#### **EXHIBIT(S):**

- 1) Resolution of the City Council Ordering the Levy and Collection of Special Taxes within Community Facilities District No. 2010-1 (Services) for Fiscal Year 2018-19.
- 2) Preliminary Special Taxes for Fiscal Year 2018-19
- 3) Rate and Method of Apportionment
- 4) Council Properties Map