

## REPORT TO THE CITY COUNCIL

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**DATE:** June 16, 2020

**TITLE:** Community Facilities District 2006-1, Improvement Area No. 1, Levy and Collection of Special Taxes for Fiscal Year 2020-21

**Prepared by:** Webb Municipal Finance LLC, Tax Administration Consultant

**Reviewed by:** Geoffrey Buchheim, Finance Director

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### **RECOMMENDATION**

**Adopt a Resolution of the City Council Ordering the Levy and Collection of Special Taxes within Community Facilities District No. 2006-1 Improvement Area No. 1, for Fiscal Year 2020-21**

### **BACKGROUND:**

The City formed the City of Desert Hot Springs Community Facilities District No. 2006-1 ("District") and designated portions of the District as five improvement areas known as Improvement Area 1, Improvement Area 2, Improvement Area 3, Improvement Area 4, and Improvement Area 5 under and pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code §§53311-53368.3) (the "Act"). The District was formed to finance and purchase facilities including: streets, bridges and traffic signal facilities, city fire department, law enforcement and transportation impact, street improvements, street lights, utility relocation, sidewalks, perimeter walls and landscaping related thereto, local City improvement storm drainage facilities, detention basin facilities and landscaping, fire station facilities, park facilities and land, rights-of-way and easements necessary for any of such facilities.

The City issued Special Tax Bonds, Series 2008A for \$2,080,000 on November 19, 2008 to finance a portion of the facilities within the District. The City refunded these bonds and issued Special Tax Bonds, Series 2010 for \$2,285,000 on August 17, 2010. On February 6, 2020 the City refunded the Series 2010 bonds and issued the Series 2020 Special Tax Refunding Bonds in the amount of \$1,995,205.57. These bonds mature on September 1, 2038.

### **DISCUSSION:**

The City Council adopted Ordinance No. 2007-13, on August 7, 2007, which authorized and levied the Special Taxes within Improvement Area 1 of the District. Pursuant to the Act (Section 53340) the City Council may provide, by resolution, for the levy of the special tax in the current year or future tax years at the same rate or at a lower rate than the rate provided by ordinance. The attached resolution will authorize the levy of the special taxes within Improvement Area 1 of the District for Fiscal Year 2020-21. The list of parcels subject to the special tax would need to be filed with the County by August 10, 2020 for placement on the tax roll.

### **FISCAL IMPACT:**

There are 216 developed parcels included within the District's Improvement Area No. 1, generating a total levy of \$200,885 for Fiscal Year 2020-21.

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

- 1) Resolution of the City Council Ordering the Levy and Collection of Special Taxes within Community Facilities District No. 2006-1 Improvement Area No. 1 for Fiscal Year 2020-21.
- 2) Preliminary Special Taxes for Fiscal Year 2020-21 (Resolution Exhibit A)