



REPORT TO CITY COUNCIL

MEMORANDUM

AGENDA ITEM NO: 7

COUNCIL MEETING DATE: 11/08/2005

SUBJECT: Completion of the formation of the Community Facilities District

RECOMMENDATION

That the City Council adopt Resolution No. 2005-122, Resolution No. 2005-123 and Ordinance No. 2005-09 completing the formation of the Community Facilities District established for the collection of tax for public safety and park maintenance services.

BACKGROUND

The Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code allows a City to establish a Community Facilities District (CFD) to finance a variety of services. This CFD tax is for newly developing or redeveloping areas of the City to mitigate financial impacts for public safety and park maintenance services. It has been established so that the amount of the special tax may be annually adopted by Council (up to the maximum amount established by Resolution 2005-109) and then levied on each parcel within the CFD. It will then be assessed and collected on the property owner's property tax bill. It is anticipated that all new developments will be annexed into this CFD.

PROCESS

The Goals and Policies associated with the CFD were adopted by Council on August 15, 2005. This was the first step in the CFD formation and had to be completed before any other proceedings could take place.

The next step was for Council to adopt a Resolution of Intent to establish the CFD and authorize the levy of the special tax. The **maximum tax rate** was adopted on 9/27/2005 by Resolution 2005-109 and was based upon the amounts identified by the Berryman & Henigar Special Tax Report. Each year however, the Council may adopt by resolution the actual tax rates that will be imposed, which could be anywhere from \$0 up to the adopted maximum tax rate.

Building Type	Maximum Adopted Rate	75% of Maximum	50% of Maximum	25% of Maximum
Single Family Home	\$ 740 per Unit	\$ 555 per Unit	\$ 370 per Unit	\$ 185 per Unit
Multi Family Residential	\$ 550 per Unit	\$ 413 per Unit	\$ 275 per Unit	\$ 138 per Unit
Non Residential	\$0.20 per Square Foot	\$0.15 per Square Foot	\$0.10 per Square Foot	\$0.05 per Square Foot
Undeveloped	\$ 600 per Acre	\$ 450 per Acre	\$ 300 per Acre	\$ 150 per Acre
Affordable Housing	\$ 370 per Unit	\$ 278 per Unit	\$ 185 per Unit	\$ 93 per Unit

Tonight's action involves several steps that must be enacted in the following order if Council chooses to complete and finalize the Community Facilities District.

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1. A Public Hearing must be opened to take testimony on the CFD formation and then the Public Hearing may be closed.
2. Adopt Resolution 2005-122 to form the CFD, authorize the tax levy, establish the appropriations limit and authorize submission of said tax and appropriations limit to the qualified electors of the district.
3. The City Clerk will open the ballots previously mailed to the qualified electors of the district and announce the results of the election.
4. Adopt Resolution 2005-123 declaring the results of the special election and directing the recording of the special tax lien.
5. Adopt and have first reading of Ordinance No. 2005-09 authorizing the levy of special taxes within the Community Facilities District No. 2005-1.

This will formally complete the action items necessary to finalize the City of Reedley Community Facilities District No. 2005-1 which will have a tax levied in an amount determined by the City Council each year (up to the maximum amount allowed) for use only on public safety and parks maintenance services.

Dec 20, 2005
Drop Dead Date.

Prepared by



Finance Director

Approved by



City Manager

Workshop proposed for CFD
P.H. Continued until Dec 13, 2005

Workshop should be scheduled sometime
between now & Dec 13, 2005.

Attachments:

Resolution No. 2005-122
Resolution No. 2005-123
Ordinance No. 2005-09

RESOLUTION NO. 2005-122

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY OF FORMATION OF CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT, PRELIMINARILY ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT AND SUBMITTING LEVY OF THE SPECIAL TAX AND THE ESTABLISHMENT OF THE APPROPRIATIONS LIMIT TO THE QUALIFIED ELECTORS OF THE DISTRICT

RESOLVED, by the City Council (the "Council") of the City of Reedley (the "City"), as follows:

WHEREAS, on September 27, 2005, this Council adopted a resolution entitled "A Resolution of the City Council of the City of Reedley Declaring its Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Pursuant to the Mello-Roos Community Facilities Act of 1982" (the "Resolution of Intention") stating its intention to form the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code Section 53311 et seq. (the "Law"); and

WHEREAS, the Resolution of Intention, incorporating by reference a map of the proposed boundaries of the District and describing the services eligible to be funded by the District (the "Services"), the cost of providing the Services, and the rate and method of apportionment of the special tax to be levied within the District to pay costs of the Services (the "Rate and Method"), is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, the Resolution of Intention called for a public hearing on the District to be held on November 8, 2005 and on this date this Council held the public hearing as required by the Law and the Resolution of Intention relative to the proposed formation of the District; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the District, the Services eligible to be funded by the District and the levy of the special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing evidence was presented to this Council on the matters before it, including a report by the City Manager as to the Services eligible to be funded by the District and the costs thereof, a copy of which is on file with the City Clerk, and this Council at the conclusion of the hearing was fully advised regarding the District; and

WHEREAS, written protests with respect to the formation of the District and/or the furnishing of specified types of Services as described in the Report have not been filed with the City Clerk by fifty percent (50%) or more of the registered voters residing within the territory of the District or property owners of one-half (1/2) or more of the area of land within the District and not exempt from the special tax; and

WHEREAS, the special tax proposed to be levied in the District to pay for costs of the Services, as set forth in Exhibit A to the Resolution of Intention, has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the

District or the owners of one-half (1/2) or more of the area of land within the District and not exempt from the special tax.

NOW, THEREFORE, it is hereby FOUND, DETERMINED and ORDERED by the City Council of the City of Reedley, as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The proposed special tax to be levied within the District has not been precluded by majority protest pursuant to Section 53324 of the Law.

Section 3. All prior proceedings taken by this Council in connection with the establishment of the District and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Law.

Section 4. The community facilities district designated "City of Reedley Community Facilities District No. 2005-1 (Public Services)" is hereby established pursuant to the Law.

Section 5. The boundaries of the District, as described in the Resolution of Intention and set forth in the boundary map of the District recorded on October 12, 2005, document No. 024171900 in the Fresno County Recorder's Office at Book 41 of Maps at Page 58, are hereby approved, are incorporated herein by this reference and shall be the boundaries of the District.

Section 6. The type of services eligible to be funded by the District pursuant to the Law are as described in Exhibit A to the Resolution of Intention which Exhibit is by this reference incorporated herein. This Council hereby finds that the Services are necessary to meet increased demands placed upon local agencies as the result of development occurring in the District.

Section 7. Except to the extent that funds are otherwise available to the District to pay for the Services, a special tax sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the District, will be levied within the District and collected in the same manner as ordinary ad valorem property taxes or in such other manner as this Council shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the special tax among the parcels of real property within the District, in sufficient detail to allow each landowner within the District to estimate the maximum amount such owner will have to pay, are described in Exhibit B to the Resolution of Intention which Exhibit is by this reference incorporated herein. This Council hereby finds that the basis for the levy and apportionment of the special tax, as set forth in the Rate and Method, is reasonable.

Section 8. The Finance Director of the City of Reedley, 845 "G" Street, Reedley, CA 93654, telephone number (559) 637-4200, is the officer of the City that will be responsible for preparing annually and whenever otherwise necessary a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Law.

Section 9. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the District and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City ceases.

Section 10. In accordance with Section 53325.7 of the California Government Code, the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the District is hereby preliminarily established at \$1,337,200 and said appropriations limit shall be submitted to the voters of the District as provided below. The proposition establishing the appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of Section 53325.7 of the Law.

Section 11. Pursuant to the provisions of the Law, the proposition of the levy of the special tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the District at an election, the time, place and conditions of which election shall be as specified by a separate resolution of this Council.

Section 12. This Resolution shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED, this 8th day of November, 2005, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ray Soleno
Mayor of the City of Reedley

ATTEST:

Elizabeth Vines
City Clerk of the City of Reedley

RESOLUTION NO. 2005-123

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY
DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING
RECORDING OF NOTICE OF SPECIAL TAX LIEN**

RESOLVED, by the City Council (the "Council") of the City of Reedley (the "City"), as follows:

WHEREAS, in proceedings heretofore conducted by this Council pursuant to the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code (the "Law"), this Council on this date the City Council of the City of Reedley held a special election of the qualified electors within the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"); and

WHEREAS, pursuant to the terms of said Resolution, which are by this reference incorporated herein, the special election was held on this date, and the City Clerk has on file a Canvass and Statement of Results of Election, a copy of which is attached hereto as Exhibit A; and

WHEREAS, this Council has reviewed the canvass and hereby approves it.

NOW, THEREFORE, it is hereby FOUND, DETERMINED and ORDERED by the City Council of the City of Reedley, as follows:

Section 1. The issues presented at the special election were the levy of a special tax within the District to be levied in accordance with the rate and method of apportionment of special taxes heretofore approved by this Council by its resolution adopted this date entitled "A Resolution of the City of Reedley of Formation of City of Reedley Community Facilities District No. 2005-1 (Public Services), Authorizing Levy of a Special Tax Within the District, Preliminarily Establishing an Appropriations Limit for the District and Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors of the District", and the approval of an appropriations limit of \$1,337,200 pursuant to said resolution.

Section 2. Pursuant to the canvass of the special election on file with the City Clerk, the issues presented at the special election were approved by more than two-thirds of the votes cast by the qualified electors of the District.

Section 3. Pursuant to the voter approval, the District is hereby declared to be fully formed with the authority to levy special taxes as heretofore provided in these proceedings and in the Law.

Section 4. It is hereby found that all prior proceedings and actions taken by this Council with respect to the District were valid and in conformity with the Law.

Section 5. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Fresno a notice of special tax lien in the form required by the Law, said recording to occur no later than fifteen days following adoption by the City Council of this Resolution.

Section 6. This Resolution shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED this 8th day of November, 2005, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ray Soleno
Mayor of the City of Reedley

ATTEST:

Elizabeth Vines
City Clerk of the City of Reedley

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)

I hereby certify that on September 28, 2005, I canvassed the returns of the special election held on November 8, 2005, in the City of Reedley Community Facilities District No. 2005-1 (Public Services) and the total number of ballots cast in said District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Reedley Community Facilities District No. 2005-1 (Public Services) Special Election November 8, 2005.	42	_____	_____	_____

BALLOT MEASURE: Shall a special tax payable solely from lands within the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District") be levied annually upon lands within the District to be applied only to pay the costs of the services authorized to be funded by the District, and to pay the costs of the City of Reedley in administering the District, and shall the annual appropriations limit of the District be established in the initial amount of \$1,337,200.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 8th day of November, 2005.

By: _____
Elizabeth Vines
City Clerk of the City of Reedley

ORDINANCE NO. 2005-09

**ORDINANCE OF THE CITY OF REEDLEY LEVYING SPECIAL TAXES
WITHIN THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT
NO. 2005-1 (PUBLIC SERVICES)**

WHEREAS, on September 27, 2005, this City Council (the "Council") of the City of Reedley (the "City") adopted a resolution entitled "A Resolution of the City Council of the City of Reedley Declaring its Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Pursuant to the Mello-Roos Community Facilities Act of 1982" (the "Resolution of Intention"), stating its intention to establish the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code (the "Law"), to fund certain services (the "Services");

WHEREAS, notice was published as required by the Law of the public hearing called pursuant to the Resolution of Intention relative to the intention of this City Council to form the District and to provide for the costs of the Services;

WHEREAS, the Resolution of Intention called for a public hearing on the District to be held on November 8, 2005 and on this date this Council held the public hearing as required by Law relative to the determination to proceed with the formation of the District and the levy of special taxes therein;

WHEREAS, at the public hearing all persons desiring to be heard on all matters pertaining to the formation of the District and the levy of the special taxes were heard, evidence was presented and considered by this City Council and a full and fair hearing was held;

WHEREAS, subsequent to said hearing, this City Council adopted resolutions entitled "A Resolution of the City of Reedley of Formation of City of Reedley Community Facilities District No. 2005-1 (Public Services), Authorizing the Levy of a Special Tax Within the District, Preliminarily Establishing an Appropriations Limit for the District and Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation"), which resolution established the District, authorized the levy of a special tax with the District, and established an appropriations limit within the District, respectively; and

WHEREAS, on November 8, 2005 an election was held within the District in which the eligible landowner electors approved said propositions by more than two-thirds of the votes cast in the election.

NOW, THEREFORE, it is hereby FOUND, DETERMINED and ORDERED by the City Council of the City of Reedley, as follows:

Section 1. By the passage of this Ordinance this City Council hereby authorizes and levies special taxes within the District, pursuant to the Law, at the rate and in

accordance with the rate and method of apportionment of special taxes appended as Exhibit B to the Resolution of Intention (the "Rate and Method of Apportionment"), and approved by the Resolution of Formation, which Resolution of Intention is by this reference incorporated herein. The special taxes are hereby levied commencing in fiscal year 2006-07 and in each fiscal year thereafter.

Section 2. The Finance Director of the City is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for each parcel of real property within the District, in the manner and as provided in the Rate and Method of Apportionment.

Section 3. Properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes to the extent set forth in the Rate and Method of Apportionment. In no event shall the special taxes be levied on any parcel within the District in excess of the maximum tax specified in the Rate and Method of Apportionment.

Section 4. All of the collections of the special tax shall be used as provided for in the Law and in the Resolution of Formation including the payment of costs of providing the Services, and the costs of collecting and administering the District and the levy and collection of the special tax.

Section 5. The special taxes shall be collected from time to time as necessary to meet the financial obligations of the District on the secured real property tax roll in the same manner as ordinary ad valorem taxes are collected. The special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes. In addition, the provisions of Section 53356.1 of the California Government Code shall apply to delinquent special tax payments. The Finance Director is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Fresno and to otherwise take all actions necessary in order to effect proper billing and collection of the special tax, so that the special tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of the District in each fiscal year.

Notwithstanding the foregoing, the Finance Director may collect one or more installments of the special taxes on any one or more parcels in the District by means of direct billing by the City of the property owners within the District, if, in the judgment of the Finance Director, such means of collection will reduce the administrative burden on the City in administering the District or is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the applicable property owners.

Section 6. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the District, by a

Court of competent jurisdiction, the balance of this Ordinance, and the application of the special tax to the remaining parcels within the District, shall not be affected.

Section 7. This ordinance shall take effect thirty (30) days after its adoption.

Section 8. Due to the nature of this ordinance it shall not be codified.

Section 9. The City Clerk shall cause this ordinance to be published once in a newspaper of general circulation in the City of Reedley within 15 days of its adoption.

Ray Soleno
Mayor of the City of Reedley

ATTEST

I hereby certify that the foregoing Ordinance No. 2005-09 was introduced and given first reading by title only at a regular meeting of the City Council of the City of Reedley held on the 8th day of November, 2005, and was thereafter duly passed, approved, and adopted at a regular meeting of said City Council held on _____ day of _____, 2005 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Elizabeth Vines
City Clerk of the City of Reedley