

**AGENDA
ITEM**

8



AGENDA STAFF REPORT

DATE: July 21, 2021

TO: Mayor and City Council

APPROVED BY: Miguel Figueroa, City Manager *MK*

PREPARED BY: Karla E. Lobatos, Finance Director

SUBJECT: The City Council of the City of Calexico Acting in its Capacity as the Legislative Body for the Calexico Community Facilities District No. 2013-1 (Gran Plaza) Adopt Resolution No. 2021-_____ Authorizing the Levy of Special Taxes within Improvement Area No. 1 of such District for Fiscal Year 2021-22

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Recommendation:

The City Council of the City of Calexico acting in its capacity as the legislative body for the City of Calexico Community Facilities District No. 2013-1 (Gran Plaza) Adopt Resolution No. 2021-_____ authorizing the levy of special taxes within Improvement Area No. 1 of such district for Fiscal Year 2021-22.

Background:

Koppel & Gruber Public Finance prepared an initial that assessment was submitted to Calexico City Council on April 21, 2021, such report did not include assessment to replenish reserves. Reserves were drawn last September to complete bond payment. Revenues obtained through Community Facilities District (CFD No. 2013-1 Gran Plaza) did not suffice to successfully fulfill the City's obligation. Community Facilities District (CFD No. 2013-1 Gran Plaza) was formed in 2013 as a legally constituted government entity established under the Mello-Roos Community Facilities Act of 1982. The Act provides an alternative method for the financing of certain facilities and services. Specifically, this CFD is authorized to levy an annual special tax to pay, in whole or in part, the approved costs of the following:

- The administrative costs and other incidental expenses of the District;
- The interest scheduled for collection on the outstanding bonded indebtedness related to the District;
- The principal scheduled for collection on the outstanding term bonds related to the applicable Improvement Area;



- The sinking payments scheduled for collection on the outstanding term bonds relating to the applicable Improvement Area;
- Amounts, if any, needed to replenish the applicable Reserve Account of the Bond fund to the level of the Reserve Requirement; and
- Amounts, if any, required to bring the amount on deposit in the Rebate Fund to the required level.

The authorized services are funded through the annual levy and collection of special taxes from all the property subject to the tax and located within the Improvement Area No. 1 of the district.

Discussion & Analysis:

The special levy recommended in the report is the applied special tax rate under the current ordinance.

Fiscal Impact:

The recommended levy for FY 2021-22 is \$ 20,000 per acre.

Coordinated with:

Koppel & Grubber Public Finance

Attachment:

1. Revised Resolution No. 2021-_____ Authorizing Levy of Special Taxes within CFD 2013-1.
2. Community Facilities District No. 2013-1 (Gran Plaza) Improvement Area No. 1 FY 2021-22 Projected Levy.
3. Community Facilities District No. 2013-1 (Gran Plaza) Improvement Area No. 1 Annual Sales Tax Covenant Consideration Calculation.
4. Community Facilities District No. 2013-1 (Gran Plaza) Improvement Area No. 1 FY 2021-22 Special Tax Requirement.
5. Community Facilities District No. 2013-1 (Gran Plaza) Improvement Area No. 1 FY 2021-22 Facilities Budget.

RESOLUTION 2021-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO,
CALIFORNIA, DETERMINING AND LEVYING THE SPECIAL TAX
IN COMMUNITY FACILITIES DISTRICT NO. 2013-1**

WHEREAS, The City Council (the "City Council") of the City of Calexico is the legislative body of Community Facilities District No. 2013-1 (Gran Plaza) (the "District"), which District was established pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the government code of the State of California (the "Act");

WHEREAS, this City Council, by Ordinance No. 1147 as authorized by Section 53340 of the Government Code of the State of California (the "Ordinance"), has authorized the levy of a special tax to pay for costs and expenses related to said District, and this City Council is desirous to establish the maximum rate of the special tax for the District to be collected for the next fiscal year.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Calexico as follows:

Section 1: the preceding recitals are true and correct.

Section 2: that the City Council does, by the passage of this resolution authorize the levy of special taxes at the rates set forth in Exhibit "A" below, referenced and so incorporated.

Section 3: The rate determined and as set forth above does not exceed the amount as previously authorized by the Ordinance and is not in excess of that amount previously approved by the qualified electors of the applicable Improvement Area of the District, and is exempt from Proposition 218, Section XIID of the California State Constitution. After adoption of this Resolution, the City Manager or his/her designee, may make any necessary modification to these special taxes to correct errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amount to be charged to any category of parcels; provided, however, that any such modification shall not result in an increase in the tax applicable to any category of parcels.

Section 4: The proceeds of the Special Tax shall be used to pay, in whole or in part, the approved costs of the following:

- A. The Administrative costs and other incidental expenses of the District.
- B. The interest scheduled for collection on the outstanding bonded indebtedness related to the District;
- C. The principal scheduled for collection on the outstanding term bonds related to the applicable Improvement Area;

- D. The sinking payments scheduled for collection on the outstanding term bonds relating to the applicable Improvement Area;
- E. Amounts, if any, needed to replenish the applicable Reserve Account of the Bond Fund to the level of the Reserve Requirement; and
- F. Amounts, if any, required to bring the amount on deposit in the Rebate Fund to the required level.

Section 5: The Auditor-Controller of the County of Imperial is hereby directed to enter in the next County assessment roll on which taxes will become due, opposite each lot or parcel of land affected, the installment of the special tax. Reference is made to attached Exhibit "A" for the maximum rates and applied rates of the Special Taxes.

Section 6: All applicable Special Taxes collected will be paid to the trustee for deposit in the applicable Special Tax Fund upon receipt by the City of Calexico from the Auditor-Controller pursuant to the terms of the Indenture of Trust.

Section 7: The Auditor-Controller shall, at the close of the tax collection period, promptly render to the City Manager or his/her designee a detailed report showing the amounts of the Special Tax installments, penalties, interest, and fees collected, and from which properties collected. Any expenses to be paid to the Auditor-Controller for carrying out the forgoing responsibilities shall be in accordance with a contract, if any, entered into between the district and the Auditor-Controller, pursuant to Section 29304 of the Government Code of the State of California or as otherwise provided by law.

Section 8: This resolution shall take effect immediately upon its passage and adoption.

PASSED, APPROVED AND ADOPTED this 21st day of July, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Javier Moreno, Mayor of the City of Calexico

ATTEST:

Gabriela Garcia City Clerk

EXHIBIT "A"

**COMMUNITY FACILITIES DISTRICT NO. 2013-1
(GRAN PLAZA)**

**IMPROVEMENT AREA NO. 1
FISCAL YEAR 2021/22
SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax Rate
Developed Property	\$20,000.00 per acre
Undeveloped Property	\$20,000.00 per acre

**IMPROVEMENT AREA NO. 2
FISCAL YEAR 2021/22
SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax Rate
Developed Property	\$20,000.00 per acre
Undeveloped Property	\$20,000.00 per acre

CITY OF CALEXICO
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (GRAN PLAZA)
IMPROVEMENT AREA NO. 1
FISCAL YEAR 2021/22 PROJECTED LEVY

I. FISCAL YEAR 2021/22 SPECIAL TAX LEVY BY LAND USE CLASS

DESCRIPTION	SPECIAL TAX REVENUES
DEVELOPED PROPERTY	\$311,200.00
UNDEVELOPED PROPERTY	\$410,756.01
TOTAL FACILITIES LEVY FISCAL YEAR 2021/22	\$721,956.01

II. MAXIMUM PROPERTY TAX

MAXIMUM ASSIGNED SPECIAL TAX			
LAND USE	ACREAGE	FY 2021/22 ASSIGNED SPECIAL TAX	SPECIAL TAX REVENUES
DEVELOPED	15.560	\$20,000.00	\$311,200.00
UNDEVELOPED	42.230	\$20,000.00	\$844,600.00
TOTAL	57.790	NA	\$1,155,800.00

III. PROPOSED PROPERTY TAX

PROPOSED SPECIAL TAX				
LAND USE	ACREAGE	FY 2021/22 PROPOSED SPECIAL TAX	SPECIAL TAX REVENUES	PERCENTAGE OF MAXIMUM SPECIAL TAX
DEVELOPED	15.560	\$20,000.00	\$311,200.00	100.00%
UNDEVELOPED	42.230	\$9,726.64	\$410,756.01	48.63%
TOTAL	57.790	NA	\$721,956.01	NA

Note: Analysis assumes needed replenishment to Reserve Fund.

**CITY OF CALEXICO
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (GRAN PLAZA)
IMPROVEMENT AREA NO. 1
FISCAL YEAR 2021/22 SPECIAL TAX REQUIREMENT**

FY 2021/22 SPECIAL TAX REQUIREMENT:	AMOUNT
Remaining Funds Needed for Debt Service FY 2021/22	\$522,481.25
Administrative Expense Budget FY 2021/22	\$27,602.00
Anticipated Delinquencies FY 2021/22 [1]	\$14,439.00
Amount Needed to Fully Fund Reserve Fund [2]	\$157,433.80
Anticipated Surplus Special Taxes for Facilities	\$0.00
SPECIAL TAX REQUIREMENT FY 2021/22	\$721,956.05

[1] Estimated at 2% of the Special Tax Requirement.

[2] As of June 30, 2021, the Reserve Fund requirement was \$522,818.75 and the balance in the Reserve Fund was \$365,384.95.

Note: Analysis assumes needed replenishment to Reserve Fund.

CITY OF CALEXICO
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (GRAN PLAZA)
IMPROVEMENT AREA NO. 1
ANNUAL SALES TAX COVENANT CONSIDERATION CALCULATION

		FISCAL YEAR ENDED JUNE 30,	
		2021	2020
	Sales Tax Year	2020	2019
Step 1	Total Annual Sales Tax Revenue for Operating Year [1]	\$ 269,823.00	\$ 669,359.00
	Less: First City Retention	\$ (269,823.00)	\$ (300,000.00)
	Remainder for Debt Service Fund	\$ -	\$ 369,359.00
Step 2	Less: Annual Debt Service Payment	\$ (522,481.25)	\$ (518,681.25)
	Remaining Balance	\$ (522,481.25)	\$ (149,322.25)
Step 3	Second City Retention (not to exceed CFD Share of \$522,481.25)	\$ (522,481.25)	\$ (149,322.25)
	Remaining Balance	\$ -	\$ -
Step 4	50% to Trustee for Bond Redemption	\$ -	\$ -
	50% to City	\$ -	\$ -

[1] As reported by HdL Companies, dated March 11, 2021.

Note: Analysis assumes needed replenishment to Reserve Fund.

CITY OF CALEXICO
COMMUNITY FACILITIES DISTRICT NO. 2013-1
(GRAN PLAZA)
FISCAL YEAR 2021/22 FACILITIES BUDGET

LEVY COMPONENTS	FY 2021/22
Debt Service/Facilities	
Remaining Funds Needed for Debt Service FY 2021/22	\$522,481.25
Subtotal	\$522,481.25
Administrative Expenses	
City Staff Expenses	\$17,948.80
County Auditor and Assessor Fees ¹	\$53.20
Special Tax Consultant	\$4,250.00
Fiscal Agent	\$2,400.00
Legal Counsel	\$500.00
Delinquency Notices (Estimate)	\$200.00
Arbitrage Calculation	\$0.00
Continuing Disclosure	\$1,850.00
Other Fees and Expenses	\$400.00
Subtotal²	\$27,602.00
Anticipated Delinquencies³	\$14,439.00
Amount Needed to Fully Fund the Reserve Fund⁴	\$157,433.80
TOTAL BUDGET AMOUNT	\$721,956.05

¹ The County Auditor charges an annual fee of \$65.00 for the City which is prorated between the two CFDs, plus \$20.00 for each fund maintained, plus \$0.10 per parcel assessed.

² Administrative Expenses set to equal the Priority Administrative Expenses determined pursuant to the FAA.

³ Based on 2% of the estimated taxes levied on Developed Property.

Note: Analysis assumes needed replenishment to Reserve Fund.