AGENDA
ITEM

09

AGENDA STAFF REPORT

DATE: July 18, 2018

TO: Mayor and City Council

APPROVED BY: David B. Dale, City Manager

PREPARED BY: Karla E. Lobatos, Finance Director

SUBJECT: Approval of a Resolution of the City Council of the City of Calexico, California, Determining and Levying the Special Tax in Community Facilities District No. 2005-1 (Hearthstone)

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Recommendation:

That 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. 2005-1 (Hearthstone) Adopt Resolution authorizing the levy of special taxes within Improvement Area No. 1 of such district for Fiscal Year 2018-19.

Background:

Community Facilities District (CFD No. 2005-1 Hearthstone) was formed in 2005 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;
- Amounts, if any, required to bring the amount on deposit in the Rebate Fund to the required level;
- Payments of Authorized Services.

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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.

Exhibit "A" in the attached report shows that nearly all parcels will be liable for an annual payment of at least $1,849 per dwelling unit. The only reason that levy would be different would be due to size of dwelling unit, delinquencies, or a pro-rata share of the levy because of a transfer.

Discussion & Analysis:

The special levy recommended in the report is the maximum allowed under the current ordinance.

Fiscal Impact:

Anticipated Special Tax for Fiscal Year 2018-19 – 118,881.60.

Coordinated with:

Koppel & Grubber Public Finance.

Attachment:

1. Resolution of the City Council of the City of Calexico, California, Determining and Levying the Special Tax in Community Facilities District No. 2005-1 (Hearthstone).

RESOLUTION 2018-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, DETERMINING AND LEVYING THE SPECIAL TAX IN COMMUNITY FACILITIES DISTRICT NO. 2005-1

WHEREAS, The City Council (the "City Council") of the City of Calexico is the legislative body of Community Facilities District No. 2005-1 (Hearthstone) (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 l, Division 2, Title 5 of the government code of the State of California (the "Act);

WHEREAS, this City Council, by Ordinance No. 1024 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 specific 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" attached hereto, 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 District, and is exempt from Proposition 218, Section XIIID 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 District;

D. The sinking payments scheduled for collection on the outstanding term bonds relating to the District.

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.

E. Payment of Authorized Services

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 for repayment of bonds 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 contact, 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 18th day of July 2018, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Lewis Pacheco, Mayor

ATTEST:

_____
Gabriela T. Garcia, City Clerk

APPROVED AS TO FORM

_____
Carlos Campos, City Attorney

State of California)
City of Calexico) ss.
County of Imperial)

I, Gabriela T. Garcia, City Clerk of the City of Calexico do hereby certify that the foregoing Resolution No. 2018-_____ was duly adopted by the Calexico City Council at a regular meeting thereof held on the 18th day of July 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Gabriela T. Garcia, City Clerk

EXHIBIT "A"

COMMUNITY FACILITIES DISTRICT NO. 2005-1
(HEARTHSTONE)

FISCAL YEAR 2018/19
SPECIAL TAX RATES FOR FACILITIES

Land Use Type	Building Square Footage	Maximum Special Tax Rate for Facilities	Applied Special Tax Rate for Facilities
Residential Property	Less than or equal to 1,750	$1,849.00 per dwelling unit	$1,849.00 per dwelling unit
Residential Property	1,751 – 2,000	$2,028.00 per dwelling unit	$2,028.00 per dwelling unit
Residential Property	2,001 – 2,250	$2,117.00 per dwelling unit	$2,117.00 per dwelling unit
Residential Property	2,251 – 2,500	$2,260.00 per dwelling unit	$2,260.00 per dwelling unit
Residential Property	2,501 – 2,750	$2,296.00 per dwelling unit	$2,296.00 per dwelling unit
Residential Property	2,751 – 3,000	$2,439.00 per dwelling unit	$2,439.00 per dwelling unit
Residential Property	3,001 – 3,250	$2,581.00 per dwelling unit	$2,581.00 per dwelling unit
Residential Property	Greater than 3,250	$3,019.00 per dwelling unit	$3,019.00 per dwelling unit
Non-Residential Property	N/A	$15,590.00 per acre	$15,590.00 per acre
Undeveloped Property	N/A	$15,590.00 per acre	$9,988.28 per acre

FISCAL YEAR 2018/19
SPECIAL TAX RATES FOR SERVICES

Land Use Type	Maximum Special Tax Rate	Applied Special Tax Rate
Residential Property	$533.94 per dwelling unit	$495.34 per dwelling unit
Non- Residential Property	$2,135.80 per acre	$1,981.38 per acre
Undeveloped Property	$2,135.80 per acre	$0.00 per acre

Assess. Comm. Fac. Dist. 2-35

SHEET 1 OF 1

FILED AT THE OFFICE OF THE CITY CLERK THIS 3rd DAY OF August, 2005

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF CITY OF CALEXICO ENHANCED COMMUNITY FACILITIES DISTRICT NO. 2005-1 (HEARTHSTONE) CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF CALEXICO AT A REGULAR MEETING THEREOF, HELD ON THE 24th DAY OF June, 2005 BY ITS RESOLUTION NO. _____

Jesus Cardona
CLERK
CITY OF CALEXICO

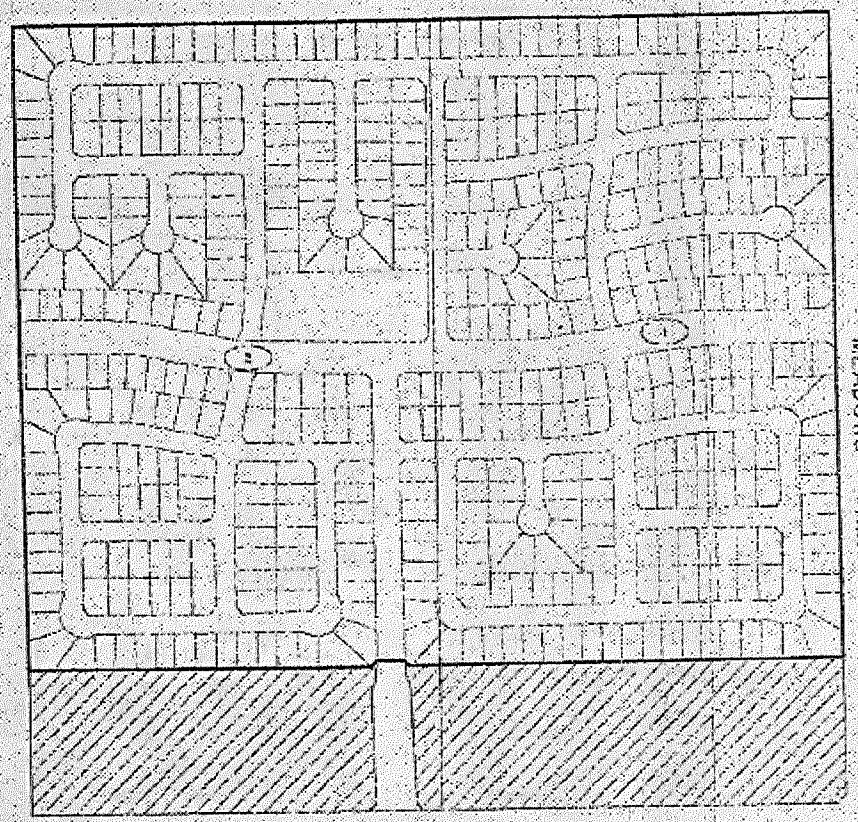
Fee: $75

FILED THIS 10th DAY OF August, 2005 AT THE HOUR OF 9:00 O'CLOCK A.M. IN THE BOOK 2 OF ASSESSMENT DISTRICTS AND CONDOMINIUM PROJECTS UNDER PAGE 35 AND AS INSTRUMENT NO. 2005-021160 IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF IMPERIAL, STATE OF CALIFORNIA.

Valerie Brennan
COUNTY RECORDER
COUNTY OF IMPERIAL
STATE OF CALIFORNIA

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS MAP SHOULD BE TAKEN FROM AND DETERMINED BY REFERENCE TO THE IMPERIAL COUNTY ASSESSOR'S MAPS.

THE IMPERIAL COUNTY ASSESSOR'S MAPS SHOULD BE REFERRED TO FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



LEGEND

C.F.D. BOUNDARY

ASSESSMENT NUMBER

EXCLUDED FROM THE C.F.D.

N

SCALE: 1" = 200'

ASSESSMENT NUMBER	ASSESSOR'S PARCEL NO.	TOTAL DESCRIPTION
1	Portion of 058-010-09	Excluding the [illegible] shown in Book 22, Page 3 through 12 of the Imperial County Surveyor, recorded on [illegible]
2	Portion of 058-010-04	

MuniFinancial
27368 Via Industria
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Temecula, California 92590-3697
Phone (951) 587-3500 FAX (951) 587-3510

(05-303) MAY 2005

I hereby certify that this is a true and correct copy of the original map on file in the office of the City Clerk.
Valerie Brennan
City Clerk
SEP 2 9 2005

PROPOSED BOUNDARIES
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(HEARTHSTONE)

CITY OF CALEXICO
COUNTY OF IMPERIAL
STATE OF CALIFORNIA