



Legislation Text

File #: 24-504, Version: 1

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SUBJECT: Adoption of a Resolution Authorizing Fiscal Year 2024-25 Annual Special Tax Rates for Community Facilities District (CFD) No. 2003-2 (Services)

REPORT IN BRIEF

Considers adopting a Resolution setting the Annual Special Tax Rates for Fiscal Year 2024-25 for Community Facilities District (CFD) No. 2003-2 (Services) for the City of Merced.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2024-63**, a Resolution of the City Council of the City of Merced, California, Acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced, Authorizing the Establishment of an Annual Special Tax for Said District for Fiscal Year 2024-2025.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify); or,
3. Deny; or,
4. Refer back to staff for consideration of specific items as requested by Council; or,
5. Continue to a future meeting.

AUTHORITY

In accordance with Ordinance 2144, set the annual special tax rates for the fiscal year 2024-25 for the Community Facilities District No. 2003-2 (Services) (the "District") pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 Division 2 of Title 5 of the California Government Code (the "Act"), commonly known as the "Mello-Roos Community Facilities Act of 1982."

CITY COUNCIL PRIORITIES

As provided for in the proposed FY 2024-25 Budget

DISCUSSION

Pursuant to the Mello-Roos Community Facilities District Act of 1982 and the City's Policies, the City Council formed Community Facilities District No. 2003-2 (Services), the "District" on January 5, 2004. A successful election was conducted to levy special tax within the District. On January 20, 2004, the City adopted Ordinance No. 2144, which authorized the levy of special tax within the boundaries of the District and specified annually, by June 30th, the City Council by resolution set the special tax rates.

On May 2, 2005, November 21, 2005, March 20, 2006, April 16, 2007, July 16, 2007, November 19, 2007, December 17, 2007, November 19, 2009, August 1, 2016, December 19, 2016, December 18, 2017, May 21, 2018, April 20, 2020, September 21, 2020, November 2, 2020, June 7, 2021, June 21, 2021, December 20, 2021, May 2, 2022, August 15, 2022, September 19, 2022, January 17, 2023, May 1, 2023, June 5, 2023 and February 20, 2024, areas known as Annexation Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 27 were formally annexed into the Community Facilities District No. 2003-2 (Services) through successful elections or consents and became subject to Ordinance No. 2144.

The Community Facilities District No. 2003-2 (Services) was formed to ensure funding is available for services in areas that are considered new growth. Special tax is collected and used to pay for all or portions of the following services: police and fire protection services, maintenance of parks, landscaping, parkways, open space, storm drain and streetlight.

The rates of the special tax may increase each year by the average of the Consumer Price Index, Urban Wage Earners, and the Clerical Workers category for the San Francisco, Oakland, San Jose and the United States' City averages. The proposed maximum special tax rates require annual City Council approval. The rates are set at the maximum taking into account the 3.028% allowable increase.

Approval of the 2024-25 maximum special tax rates will generate approximately \$212,630 in additional revenue, based on current year assessments. The additional revenue will cover the increase in costs and/or services provided in the new growth areas.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed. Special Tax Rate increase estimates are included in the fiscal year 2024-25 proposed budget.

ATTACHMENTS

1. Resolution 2024-63
2. CFD Improvement Areas Fund Balances