



Legislation Text

File #: 24-208, Version: 1

Report Prepared by: Francisco Mendoza-Gonzalez, Senior Planner, Development Services Department

SUBJECT: Public Hearing to Consider the Annexation of Certain Property into Community Facilities District (CFD) No. 2003-2 (Services), Calling and Holding a Special Election for Annexation No. 26 into CFD No. 2003-2 (Services; Canvassing the Results of the Election Held within Annexation No. 26 of Said District, and Annexing Annexation No. 26 to Said District and Authorizing the Levy of a Special Tax Within Said Annexation No. 26. Annexation No. 26 Consists of Approximately 10 Acres of Land Generally Located on the West Side of Coffee Street, Approximately 300 Feet of North Gerard Avenue

REPORT IN BRIEF

Hold a public hearing and election for annexation into Community Facilities District No. 2003-2 (Services) for the approximately 10 acres of land generally located on the west side of Coffee Street, approximately 300 feet of North Gerard Avenue.

RECOMMENDATION

City Council - Adopt a motion:

- A. Holding a Public Hearing on the annexation of certain property into the CFD and the levy of special taxes; and,
- B. Adopting **Resolution 2024-32**, a Resolution of the City Council of the City of Merced, acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced determining the validity of prior proceedings, calling special election related to Annexation No. 26; and,
- C. Holding an election; and,
- D. Adopting **Resolution 2024-33**, a Resolution of the City Council of the City of Merced acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced canvassing the results of the election held within Annexation No. 26 of said District; and,
- E. Adopting **Resolution 2024-34**, a Resolution of the City Council of the City of Merced acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced, annexing Annexation No. 26 to said district and authorizing the levy of a special tax within said Annexation No. 26.

ALTERNATIVES

1. Approve the actions as recommended by staff; or,

2. Requesting modification or amendment to the documents and provide direction to City staff regarding the same; or,
3. Decline to authorize action as recommended; or,
4. Continue to a future City Council meeting (time and date to be specified in motion).

AUTHORITY

Annexation of property into the City's existing CFD No. 2003-2 (Services) pursuant to Merced City Charter, Section 200; Chapter 2.5 (commencing with Section 53311_ of Part 1 of Division 2 of Title 5 of California Government Code (the "Act"), commonly known as the "Mello-Roos Community Facilities Act of 1982;" and the City's Policy on new development.

DISCUSSION

Pursuant to the Act and the City's policies, on February 20, 2024, the City Council, acting as the Legislative Body of the CFD, declared its intention to annex certain property to the Community Facilities District (CFD) No. 2003-2 (Services) for the property located on the west side of Coffee Street, approximately 300 feet north of Gerard Avenue. (Attachment 1) (the "Development"). Also, on February 20, 2024, the City Council accepted a Petition, Consent, and Waiver from Fortis General Construction Inc.

In accordance with the Act, a map of the proposed boundaries of Annexation No. 26 was recorded with the County Recorder's Office within a week of approving the resolution of intent (Attachment 2). The CFD Report for Annexation No. 26 is provided at Attachment 3.

A public hearing was properly noticed for this evening and will involve a number of specific steps that must be completed in order. The Resolution of Intent called for a public hearing for this item on March 4, 2024, or as soon thereafter as practicable. To meet noticing requirements the City Council Meeting of March 4, 2024, was selected as the feasible date to hear this item. City staff will outline those steps in order for the City Council at the start of the public hearing. In general, those steps will include the following: 1) Provided there is no majority protest at the close of the public hearing, the City Council may call a special election for this evening for the annexation to the CFD of Annexation No. 26; 2) The special election will ask the Developer to authorize: (a) the annexation to the CFD of Annexation No. 26; and, (b) the levy of an annual special tax within Annexation No. 26; 3) The City on behalf of the developers has submitted a sealed ballot to the City Clerk (the election official). Should the proposition pass with a two-thirds vote from the qualified voters (the landowner) as shown in the resolution canvassing the vote, the City may adopt the resolution of annexation.

The participating developer is responsible for the costs of the CFD annexation. A Deposit and Reimbursement Agreement was previously approved by the City Council and the appropriate deposit has been paid to the City.

IMPACT ON CITY RESOURCES

The annexation of the property in CFD No. 2003-2 (Services) would allow a special tax to be levied on this property to cover the maintenance costs for landscaping in the public right-of-way, storm drain and pump maintenance, and street light maintenance, as well as a portion of the costs for Police and Fire services. The property owner would be responsible for all maintenance costs until at least 50% of the development has been completed and sufficient funds have been collected by the CFD. At that point, the City would take over the maintenance to be funded by the CFD.

ATTACHMENTS

1. Location Map
2. Boundary Map
3. Merced CFD Report - Annexation 26
4. Resolution 2024-32
5. Resolution 2024-33
6. Resolution 2024-34
7. Presentation