



Legislation Text

File #: 16-141, **Version:** 1

Report Prepared by: Ken Elwin, Director of Public Works and Bradley R. Grant, Finance Officer

SUBJECT: Fiscal Year 2016-17 Annual Special Tax Rates for Community Facilities District (CFD) No. 2003-2 (Services)

REPORT IN BRIEF

Consider setting the Annual Special Tax Rates for Fiscal year 2016-17 for Community Facilities District (CFD) No. 2003-2 (Services) for the City of Merced.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution No. 2016-21**, 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 2016-17.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for recommendation of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

In accordance with Ordinance 2144, set the annual tax rates for the fiscal year 2016-17 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 2016-17 Adopted Budget.

DISCUSSION

Pursuant to the Mello-Roos Community Facilities District Act of 1982 and the City's Policies, the City Council formed the District on January 5, 2004. A successful election was conducted to levy special taxes within the District. On January 20, 2004, the City adopted Ordinance No. 2144, which levied the special tax and specified that the City Council by resolution annually 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 and November 19, 2009 areas known as Annexation Nos. 1, 2, 3, 4, 5, 6, 7, and 8 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 taxes are 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 drains and streetlights.

The rates of the special taxes 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 rate taking into account the 1.806% allowable increase.

Approval of the 2016-17 maximum special tax rates will generate approximately \$32,498 in additional revenue to cover increase in costs and/or services provided in the new growth areas.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Resolution - Establishment of FY 2016-17 Annual Special Tax Rates
2. CFD Improvement Area Fund Balances