

Meeting Date: 10/15/2013

Report Type: Consent

Report ID: 2013-00600

Title: Northwest Land Park Community Facilities District No. 2013-02 Ordinance to Levy a Special Tax (Published 10/10/2013))

Location: District 4

Issue: Landowners voted to establish the Northwest Land Park Community Facilities District No. 2013-02 (District) pursuant to Mello-Roos Communities Facilities Law of 1982.

Recommendation: 1) Pass an Ordinance levying a special tax solely within and relating to the District; and 2) pass a Resolution establishing an accounting fund for collecting special tax proceeds for Fiscal Year (FY) 2014-15.

Contact: Sheri Smith, Program Specialist, (916) 808-7204; Mark Griffin, Program Manager, (916) 808-8788, Department of Finance

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Resolution
- 5-Ordinance

City Attorney Review

Approved as to Form
Michael W. Voss
10/8/2013 10:33:00 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
John Colville
9/27/2013 9:14:48 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 10/7/2013 3:55:48 PM

Description/Analysis

Issue: Under the conditions of approval for the Northwest Land Park Development Project (Project), the property owners initiated proceedings to create a community facilities district that will fund the maintenance of public improvements. Establishing the Northwest Land Park Community Facilities District No. 2013-02 (District) will satisfy the conditions by authorizing the City to levy special taxes in an amount sufficient to provide funding for maintenance and lighting of parks, parkways, and open spaces including the neighborhood park, the Setzer Run Parkway and Bike Trail, the pedestrian/bike path to Miller Park, on-site neighborhood resource center operations, and urban farm maintenance on the Leataata Floyd Elementary School site in coordination with the Sacramento City Unified School District and the City's Parks and Recreation Department.

On August 20, 2013, the City Council passed a resolution of intention to form the District. On September 24, 2013, the City Council passed a resolution to conduct a special mailed-ballot election with regard to formation of the District. On October 1, 2013, property owners voted in favor of forming the District.

Policy Considerations: Approval of the ordinance will create a source of funding to provide maintenance and repair of public amenities, facilities, and improvements within and adjacent to the Project. This will be the first City community facilities district to fund an urban farm. The Background section of this report provides more detail on the functioning and purpose of this activity as well as others in the proposed District.

Economic Impacts: This report does not have direct economic impacts.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA guidelines, formation of a district and continuing administrative activities do not constitute a project and are therefore exempt from review.

Sustainability: There are no sustainability considerations applicable to the formation process or administration of a special district.

Committee/Commission Action: None

Rationale for Recommendation: By a unanimous vote, the property owners approved the levy of a special tax within the District. The attached ordinance will implement that approval in accordance with the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311-53368.3).

Financial Considerations: The property owners will pay all costs associated with the District. The maximum special tax for each Assessor's Parcel shall be the amounts shown below for Fiscal Year FY 2014-15.

Single Family/Condominium Residential Parcels

Less Than 800 Building Square Foot	\$275	per Unit
800 to 1,199 Building Square Foot	\$380	per Unit
1,200 Building Square Foot and greater	\$485	per Unit

Multi Family Parcels	\$275	Per Unit
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Final Use (pre-permit) Parcels	\$200	per Unit
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A detailed explanation of the proposed special tax is in the Rate and Method of Apportionment, attached to the Resolutions. No tax will be levied in FY 2013-14. The formation process sets the base rates, which coincide with the special tax amounts shown above. An actual levy is anticipated for FY 2014-15.

A new accounting fund will need to be established for the collection of special tax proceeds with the District beginning in FY 2014-15.

Emerging Small Business Development (ESBD): None. No goods or services are being purchased.

Background

The Northwest Land Park project proposes to redevelop approximately 31.7 acres, currently light industrial, office, and commercial uses, including the Setzer Forest Products plant and various produce storage and distribution facilities associated with the Sacramento Farmers' Market. Directly abutting the site to the south are Leataata Floyd Elementary School and Arthur Benjamin High School. Interstate 5 is to the west of the site. A rail tunnel is located under Interstate 5 with rail spurs that extend onto the site.

At build-out, the site will be developed with up to 825 residential units, as well as commercial/retail and office uses. The project is planned in four phases, allowing the initial community phases to emerge on vacant land and, in subsequent phases, for existing industrial uses to gradually transition to residential use. The demolition of existing buildings on the site will occur along with the development of each individual phase. The four phases are proposed as follows:

- Phase 1 is planned to include approximately 201 condominium units and the construction of an urban farm on the Leataata Floyd Elementary School site in coordination with the Sacramento City Unified School District and the City's Parks and Recreation Department.
- Phase 2 will include up to 190 residential units and non-residential uses.
- Phase 3 will include construction of up to 270 residential units, completion of a 4.5-acre neighborhood park to serve the project site, a neighborhood center which will be the result of adaptive reuse of an existing wholesale produce building currently on the site, and a bike trail that will eventually run along the rail tunnel under Interstate 5 and connect to Miller Park.
- Phase 4 will include construction of up to 307 residential units as well as commercial, retail, and office.

The District is being formed in the area of Phase 1 only to fund maintenance of the 4.5-acre neighborhood park, the bike trail, and an urban farm on the Leataata Floyd Elementary School campus (Floyd Farm) described above. The Floyd Farm is a 2.5-acre vacant parcel owned by the Sacramento City Unified School District, which will be developed as an educational farm. The developer, the City, and the School District are partnering to create, operate, and maintain a sustainable, educational garden intended to showcase opportunities to create urban farms and community gardens. The Floyd Farm will create a unique open space that will be a model educational facility and will serve the community as an innovative public amenity.

Phases 2 through 4 will be annexed into the District administratively, as they develop, with the unanimous approval of landowners in the area to be annexed. Annexation of these territories will fund maintenance of the amenities described above and provide revenues to potentially fund maintenance and operations contributions to Southside Park and on-site recreation center, as described in the District's Resolution of Formation. All

services will be shared in common between the District and the territory proposed to be annexed in the future.

Site Phasing Plan



SCHEDULE OF PROCEEDINGS

NORTHWEST LAND PARK COMMUNITY FACILITIES DISTRICT (CFD) NO. 2013-02

July 10, 2013	Application and fees submitted to City
July 11, 2013	City Clerk Certification of registered voters
August 1, 2013	Final Rate and Method of Apportionment to City
August 1, 2013	100% Consent waivers due to City
August 20, 2013	City Council <ul style="list-style-type: none">• Adopt Resolution of Intention (sets hearing date)
August 21, 2013	Mail Notice of Hearing and Record Boundary Map
Sept. 16, 2013	City Clerk publish notice of Public Hearing
Sept. 24, 2013	City Council <ul style="list-style-type: none">• Conduct Public Hearing• Resolution of Formation and Calling Special Election• Resolution of Intention to Create Annexation Process
Sept. 25, 2013	Mail Ballots
Oct. 1, 2013	Ballots Due
Oct. 8, 2013	City Council <ul style="list-style-type: none">• Adopt Resolution Declaring Results of Special Election• Pass for Publication Ordinance to Levy Tax
Oct. 9, 2013	Record Notice of Special Tax
Oct. 15, 2013	City Council <ul style="list-style-type: none">• Adopt Ordinance to Levy Special Tax
Oct. 29, 2013	City Council <ul style="list-style-type: none">• Conduct Public Hearing for annexation process

RESOLUTION NO.

Adopted by the Sacramento City Council
**ESTABLISHING AN ACCOUNTING FUND FOR THE
NORTHWEST LAND PARK COMMUNITY FACILITIES DISTRICT 2013-02
FOR FISCAL YEAR (FY) 2014-15**

BACKGROUND

- A. Northwest Land Park Community Facilities District 2013-02 (District) formation was approved by City Council on September 24, 2013. FY 2014-15 is the first year that landowners within the District will be subject to the special tax. A new accounting fund needs to be created in accordance with Article IX, section 114, of the City Charter.
- B. The District will levy special taxes in an amount sufficient to provide funding for maintenance and lighting of parks, parkways, and open spaces including the neighborhood park, the Setzer Run Parkway and Bike Trail, the pedestrian/bike path to Miller Park, on-site neighborhood resource center operations, and urban farm maintenance on the Leataata Floyd Elementary School site in coordination with the Sacramento City Unified School District and the City's Parks and Recreation Department.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1 The Background statements A and B are true and correct.
- Section 2 The Finance Director is authorized and directed to create a new accounting fund to be known as the Northwest Land Park CFD 2013-02.
- Section 3 Exhibit A is part of this resolution,

Table of Contents:

Exhibit A: District Boundary Map

Exhibit A Boundary Map



BOUNDARY MAP NORTHWEST LAND PARK COMMUNITY FACILITIES DISTRICT NO. 2013-02 CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SHEET 1 OF 1

CLERK'S MAP FILING STATEMENT.

FILED IN THE OFFICE OF THE CLERK OF CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 2013

CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE.

I HEREBY CERTIFY THAT THE MAP SHOWING THE BOUNDARIES OF NORTHWEST LAND PARK COMMUNITY FACILITIES DISTRICT NO. 2013-02, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF, HELD ON THE ____ DAY OF _____, 2013, BY ITS RESOLUTION NO. _____

CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

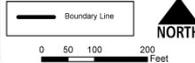
COUNTY RECORDER'S FILING STATEMENT.

FILED THIS ____ DAY OF _____, 2013 AT THE HOUR OF ____ O'CLOCK ____ M., IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER
OF THE COUNTY OF SACRAMENTO, CALIFORNIA

BY: _____
DEPUTY

DOCUMENT NO. _____



City of
SACRAMENTO
Finance Department

SPCL:LA_DISTRICT2013Northwest Land ParkBoundaryMap.pdf 8/16/13 09:08:13

ORDINANCE NO.

Adopted by the Sacramento City Council

LEVYING A SPECIAL TAX FOR THE PROPERTY-TAX YEAR 2014-2015 AND FOLLOWING TAX YEARS SOLELY WITHIN AND RELATING TO THE NORTHWEST LAND PARK COMMUNITY FACILITIES DISTRICT NO. 2013-02 FOR THE MAINTENANCE OF AREAS IN AND AROUND THE NORTHWEST LAND PARK DEVELOPMENT PROJECT

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. On September 24, 2013, the City Council adopted Resolution No. 2013-0319 (the "**Resolution**"), thereby establishing the Northwest Land Park Community Facilities District No. 2013-02 (the "District").
2. In accordance with section 53328 and 53340 of the California Government Code (the "**Code**") and the Rate and Method of Apportionment of Special Tax attached as Exhibit B to the Resolution (the "**RMA**"), a special tax is hereby levied on all taxable parcels within the District for the 2014-2015 tax year and for all subsequent years in the amount of the maximum authorized tax. This amount may be adjusted annually by resolution of the City Council, subject to the maximum authorized special tax limit.
3. The Manager of the Public Improvement Finance Division of the Finance Department or his or her designee (the "**Manager**"), with the aid of the appropriate officers and agents of the City and without further action by the City Council is authorized and directed (a) to calculate the Special Tax Requirement (as required in section 5 of the RMA) each year; (b) to prepare the annual special-tax roll in the amount of the Special Tax Requirement in accordance with the RMA; and (c) to provide to the Sacramento County Auditor-Controller all information in proper form, and in proper time, that is necessary and appropriate to effect the correct and timely billing and collection of the special tax on the secured property-tax roll of Sacramento County (the "**County**"). As provided in section 53340 of the Code and in the RMA, the special tax is to be collected in the same manner and at the same time as ad valorem taxes.
4. The appropriate officers and agents of the City are authorized to make adjustments to the special-tax roll before the final posting of the special taxes to the County tax roll each year, as may be necessary to achieve a correct match of the special tax levy with the assessor's parcel numbers used by the County in sending out property-tax bills. The County may deduct its reasonable and agreed

charges for collecting the special tax from the amounts collected, before remitting the special tax collections to the City.

5. Any taxpayer may contest the levy of the special tax by filing a written notice of appeal in accordance with section 7 of the RMA, which is supplemented as follows:
 - a. The Manager shall serve as the CFD Administrator for purposes of section 7 of the RMA.
 - b. A taxpayer may file a notice of appeal with the Manager not more than two years after the end of the tax year for which the taxpayer is contesting the levy, and the taxpayer's failure to do so within that time constitutes a bar to appeal. The notice of appeal must specify in detail the grounds of the appeal, which are limited to (1) clerical errors in assigning an amount of tax to a parcel and (2) an error in defining the use of a parcel or its classification. No other appeals are allowed.
 - c. Not more than 30 days after an appeal is filed, the Manager shall review the appeal, meet with the taxpayer (if necessary), and mail the taxpayer a written decision on the appeal. If the Manager finds that the special tax should be modified, then the Manager shall correct the special-tax levy or grant the taxpayer a credit against the next year's special-tax levy, as appropriate under the circumstances. The Manager's failure to timely mail a written decision will constitute a decision denying the appeal.
 - d. If the taxpayer disagrees with the Manager's decision, and if the taxpayer is current on payments of the special tax, then the taxpayer may appeal to the City Council by filing a written notice of appeal with the City Clerk not more than 30 days after the Manager mails the notice of decision or has failed to timely mail a written decision, and the taxpayer's failure to do so constitutes a bar to further appeal. The notice of appeal must specify in detail the grounds of appeal. The City Council shall, in accordance with chapter 1.24 of the City Code, either hear the appeal itself or refer the appeal to a hearing officer. The hearing on the appeal from the Manager's decision is to be conducted not more than 30 days after the taxpayer files the appeal with the City Council, and the City Council or the hearing officer, as appropriate, shall mail a written decision to the taxpayer not more than 30 days after the hearing concludes. The decision of the City Council or the hearing officer will be final for all purposes. The failure of the City Council or the hearing officer to hear the appeal or to render a decision within the specified time will constitute a denial of the appeal.
6. The filing of an appeal under section 5 will not relieve the taxpayer of the obligation to pay the special tax when due.

7. If for any reason a court with jurisdiction finds any portion of this ordinance to be invalid or finds the special tax to be inapplicable to any particular parcel, then the balance of this ordinance and the application of the special tax to the remaining parcels will not be affected.
8. In accordance with section 32(c) of the City Charter, after the City Council has passed this ordinance for publication the City Clerk shall have the title of this ordinance, and only the title, published at least once in a newspaper of general circulation that is published in the City and designated by the City Council as the official newspaper of the City, with the publication to occur at least three days before the City Council adopts this ordinance. The City Council hereby finds that the title of this ordinance was published on October 10, 2013, in *Daily Recorder*, a newspaper of general circulation published in the City.