

Meeting Date: 12/3/2013

Report Type: Consent

Report ID: 2013-00650

Title: Natomas Crossing Youth Services Community Facilities District No. 2013-01 (District) Ordinance to Levy a Special Tax (Passed for Publication 11/26/13; Published 11/27/2013)

Location: District 1

Issue: A mailed ballot election regarding the establishment of the District was conducted 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 Performances
- 4-Resolution
- 5-Ordinance

City Attorney Review

Approved as to Form
Michael W. Voss
11/20/2013 10:55:07 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
11/15/2013 2:23:52 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 11/19/2013 11:29:13 AM

Description/Analysis

Issue: Under the conditions of approval (Resolution 2009-534) for the Natomas Crossing Development Project, the property owners are required, before recordation of the first final subdivision map, to initiate proceedings to create a community facilities district that will fund youth services programs. Establishing the Natomas Crossing Youth Services Community Facilities District No. 2013-01 (District) will satisfy this requirement by authorizing the City to levy special taxes on non-residential properties to provide funding for recreation and cultural programs and services for youth within the North Natomas Community Plan Area.

On September 17, 2013, the City Council passed a resolution of intention to form the District. On November 5, 2013, the City Council passed a resolution to conduct a special mailed-ballot election with regard to formation of the District. On November 18, 2013, property owners voted in favor of forming the District.

Policy Considerations: Approval of the ordinance will create a funding mechanism to provide additional youth programs in Natomas including classes, camps, sports programs, enrichment programs, leadership training, and other programs.

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: The actions in the recommended resolution are required by the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311-53368.3) for formation of a new district.

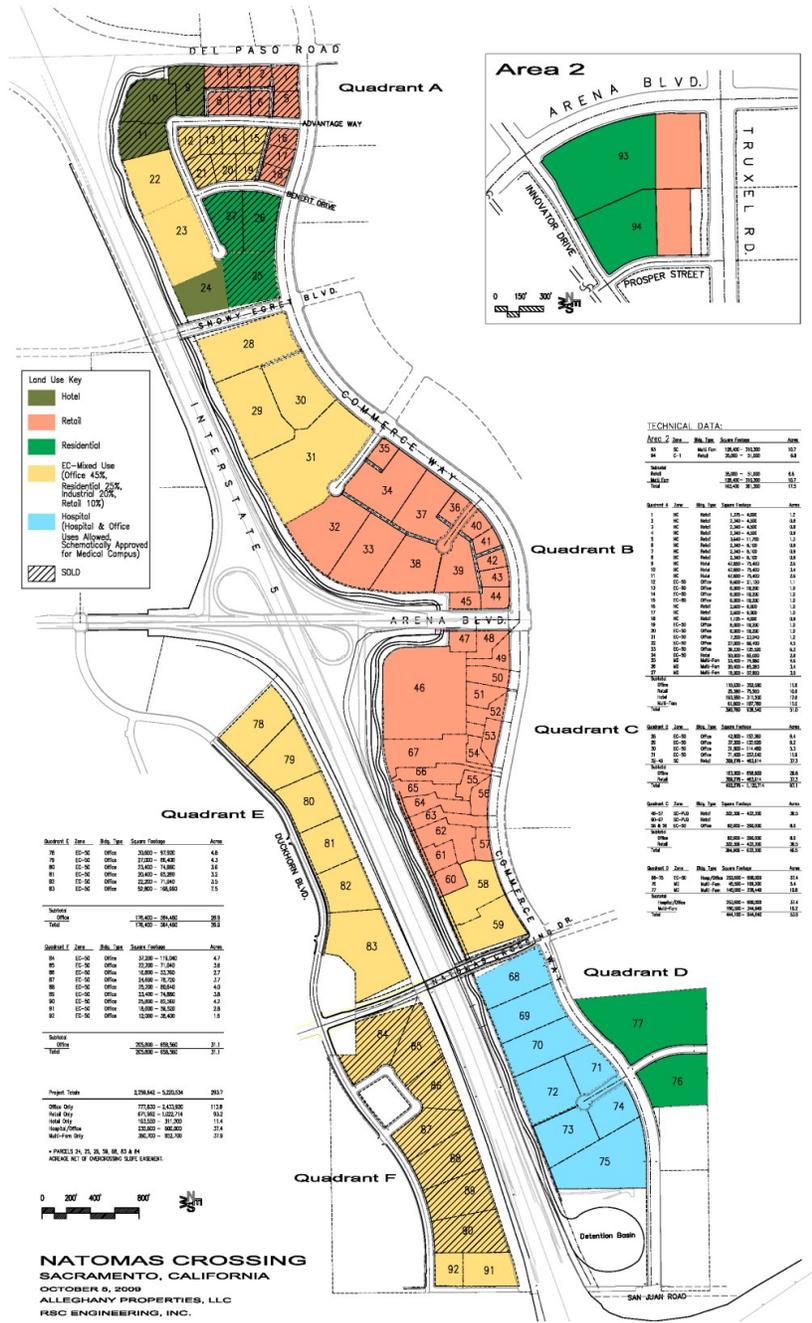
Financial Considerations: The property owners will pay all costs associated with the District. The maximum special tax per non-residential building square foot will be initiated for each building at building permit issuance with a four-year ramp-up period to the maximum tax. A detailed explanation, with tables, of the proposed special tax is provided in the Rate and Method of Apportionment, on file with the Public Improvement Finance Division of the Department of Finance, designated by the City Clerk as the repository for documents related to Mello-Roos districts. At build-out of the development, the special tax generated is estimated to be \$200,000 per year and will increase annually, as detailed in the Rate and Method of Apportionment.

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 Natomas Crossing Development Project is approximately 293 acres with a variety of commercial, office, and residential uses as shown on the land use schematic below. The portion of the project to be included in the boundaries of the District is a majority of the section between Interstate 5 and Commerce Way, detailed on Exhibit A to the Resolution, and will largely be dominated with non-residential development. Development within the District boundaries is intended to primarily consist of regional retail, hotels, hospital, office, and mixed-use buildings. The special tax will only be applied to the square footage of non-residential buildings and non-residential portions of mixed-use buildings.



SCHEDULE OF PROCEEDINGS

NATOMAS CROSSING YOUTH SERVICES COMMUNITY FACILITIES DISTRICT (CFD) NO. 2013-01

Aug. 9, 2013	City Clerk Certification of registered voters
Aug. 29, 2013	100% Consent waivers due to City
Sept. 17, 2013	City Council <ul style="list-style-type: none">○ Adopt Resolution of Intention (sets hearing date)
Sept. 18, 2013	Mail Notice of Hearing & Record Boundary Map
Oct. 13, 2013	City Clerk publish notice of Public Hearing
Nov. 5, 2013	City Council <ul style="list-style-type: none">○ Conduct Public Hearing○ Resolution of Formation○ Resolution Calling Special Election
Nov. 6, 2013	Mail Ballots
Nov. 18, 2013	Ballots Due
Nov. 26, 2013	City Council <ul style="list-style-type: none">○ Adopt Resolution Declaring Results of Special Election○ Pass for Publication Ordinance to Levy Tax
Dec. 2, 2013	Record Notice of Special Tax
Dec. 3, 2013	City Council <ul style="list-style-type: none">○ Adopt Ordinance to Levy Special Tax○ Adopt Resolution to establish accounting fund

RESOLUTION NO.

Adopted by the Sacramento City Council

ESTABLISHING AN ACCOUNTING FUND FOR THE NATOMAS CROSSING YOUTH SERVICES COMMUNITY FACILITIES DISTRICT 2013-01 FOR FISCAL YEAR (FY) 2014-15

BACKGROUND

- A. Natomas Crossing Youth Services Community Facilities District 2013-01 (District) formation was approved by City Council on November 5, 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 recreation and cultural programs and library services for youth within the North Natomas Community Plan Area.

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 Natomas Crossing Youth Services CFD 2013-01.
- Section 3 Exhibit A is part of this resolution,

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 NATOMAS CROSSING YOUTH SERVICES COMMUNITY FACILITIES DISTRICT NO. 2013-01 FOR YOUTH RECREATION AND CULTURAL PROGRAMS AND LIBRARY SERVICES IN AREAS IN AND AROUND THE NATOMAS CROSSING DEVELOPMENT PROJECT

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

1. On November 5, 2013, the City Council adopted Resolution No. 2013-0360 (the "**Resolution**"), thereby establishing the Natomas Crossing Youth Services Community Facilities District No. 2013-01 (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 7 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.