

**Meeting Date:** 5/5/2015

**Report Type:** Consent

**Report ID:** 2015-00230

**Title: (Pass for Publication) McKinley Village Community Facilities District No. 2014-03 (Services) Mailed Ballot Election Results and Ordinance to Levy Tax**

**Location:** District 3

**Recommendation:** 1) Pass a Resolution determining the results of the special mailed-ballot election; 2) review an Ordinance levying a special tax solely within and relating to the McKinley Village Community Facilities District No. 2014-03 (Services); and 3) pass for publication the ordinance title as required by City Charter Section 32(c), with the ordinance to be adopted on May 12, 2015.

**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

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**City Attorney Review**

Approved as to Form  
Michael W. Voss  
4/17/2015 12:11:10 PM

**Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 4/14/2015 3:58:35 PM

## Description/Analysis

**Issue Detail:** Under the conditions of approval for the McKinley Village Development Project (Project), the property owners are required, before recordation of the final subdivision map, to annex the project area to an existing landscape maintenance district or other financing mechanism acceptable to the City. Establishing the McKinley Village Community Facilities District No. 2014-03 (District) will satisfy this requirement by authorizing the City to levy special taxes in an amount sufficient to provide funding for maintenance and operation of parks, drainage basin landscaping, open space landscaping and sound wall repair and maintenance should the Project developer and Homeowners' Association (HOA) fall short of their required responsibilities.

On March 24, 2015, the Council approved Agreement No. 2015-0358 (Maintenance Agreement) requiring the Project developer and HOA to provide maintenance of the public improvements at or above City standards. If maintenance of the public improvements falls below the levels outlined in the Maintenance Agreement, the City will levy the special tax and provide maintenance of the public facilities.

On April 28, 2015, the Council passed a resolution of formation to form the District and to conduct a special mailed-ballot election with regard to formation of the District. The results of the election are detailed in the attached resolution.

**Policy Considerations:** The recommended action will provide funding for maintenance and repair of public amenities, facilities, and improvements in the event the City is required to maintain the public improvements.

**Environmental Considerations:** Under the California Environmental Quality Act Guidelines, formation of a district and continuing administrative activities do not constitute a project and are therefore exempt from review.

**Rationale for Recommendation:** The actions in the 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 for each Assessor's Parcel shall be the amounts shown below for Fiscal Year (FY) 2015-16.

Single-Family Residential Units	\$427/Unit
Condominium Residential Units	\$427/Unit
Final and Undeveloped Parcels	\$427/Unit

The maximum special tax may increase by the Consumer Price Index, but by no more than four percent annually. A detailed explanation of the proposed special tax is in the Rate and Method of Apportionment, which is attached to the Resolution as Exhibit C.

**Local Business Enterprise (LBE):** Not applicable.

## Background

The Project site was in agricultural use and under cultivation until at least the late 1980s as part of Mize's Farm. The eastern portion of the site was planted with a peach orchard and the remainder of the site was regularly plowed and planted with an assortment of vegetables. The orchard was removed from the site in late 2006.

The site has had multiple development proposals since the 1990s including a discount shopping mall and two other residential developments with higher densities than the McKinley Village project. The Project as approved by the Council on April 29, 2014 will result in a 336 unit residential subdivision with a 4,200 square foot recreation center, multiple neighborhood parks and approximately 48.8 acres of open space. The Project is comprised of several types of housing including single family detached units, condominiums and optional second units.

### Purpose of the District

The proposed District will provide backstop funding for maintenance and operation of parks, drainage basin landscaping, open space landscaping and sound wall repair and maintenance in the event maintenance by the homeowner's association and developer falls below City standards.

### District Special Election Proceedings

The proposed District will be formed in compliance with the Mello-Roos Community Facilities District Act of 1982. As part of the formation proceedings a special election on the special tax is required. In this case, where there are fewer than 12 registered voters, the vote is by landowners with each landowner having one vote for each acre or portion of an acre owned within the proposed District. There is one landowner within this proposed District. The City is prohibited from levying the tax unless at least two-thirds of the votes cast are in favor of formation.

The ballot question has two parts:

- Should the City be authorized to levy a special tax to pay for maintenance services; and
- Should the appropriation limit of the District be set at \$285,000?

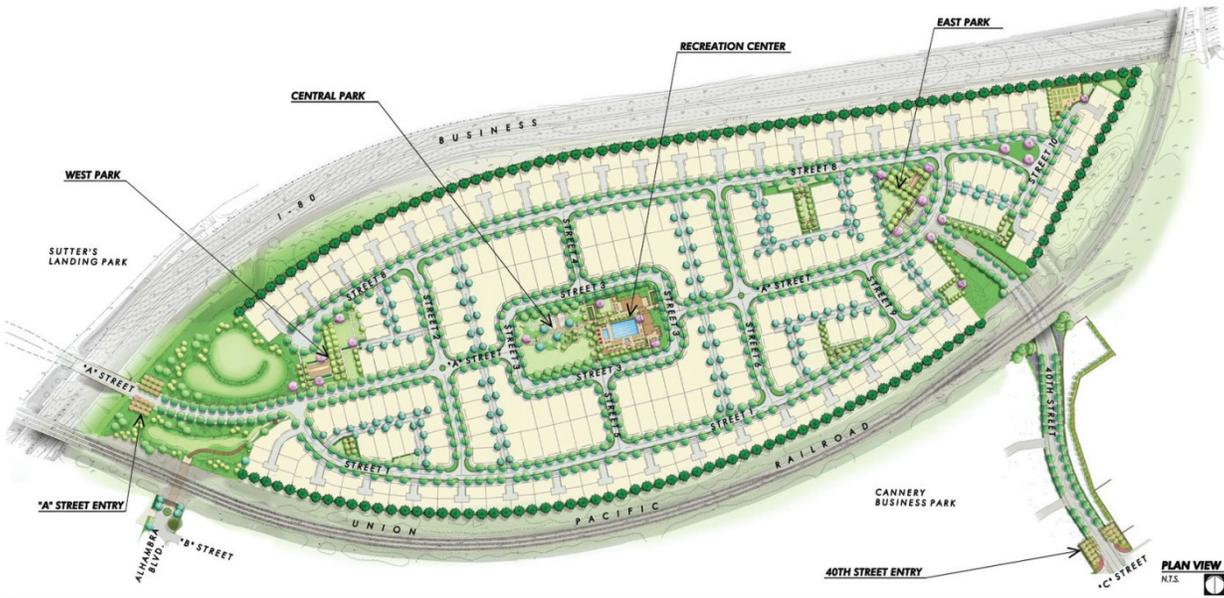
The appropriation limit is the amount that can be appropriated in any one year.

The ballots were due on May 5, 2015 and the results are detailed in the attached resolution. An entire schedule for the CFD proceedings is provided on the following pages.

### Special Tax Formula

The rate and method of apportionment (RMA) of the special tax was adopted with a Resolution of Intention to establish the District. The special tax is applied to both developed and undeveloped properties. The initial maximum annual special tax for single-family parcels in Fiscal Year (FY) 2015/16 is \$427 per residential unit.

# Site Plan



## SCHEDULE OF PROCEEDINGS

### MCKINLEY VILLAGE COMMUNITY FACILITIES DISTRICT (CFD) NO. 2014-03 (SERVICES)

- March 4, 2015      City Clerk certification of registered voters  
Staff Report loaded to ADRS for City Clerk process  
100% Consent waivers due to City  
Rate and Method of Apportionment in final form  
Maintenance Agreement, executed by developer for staff report
- March 24, 2015      City Council
- Approve Maintenance Agreement
  - Pass Resolution of Intention (ROI) and set hearing date
- March 25, 2015      Mail Notice of Hearing and Record Boundary Map
- April 17, 2015      City Clerk publish Notice of Public Hearing
- April 28, 2015      City Council
- Conduct Public Hearing (> 30 days from ROI)
  - Pass Resolution of Formation
  - Pass Resolution Calling Special Election
- May 5, 2015          Ballots Due
- May 5, 2015**          **City Council**
- Pass Resolution Declaring Results of Special Election
  - Pass for Publication Ordinance to Levy Tax
- May 6, 2015          Record Notice of Special Tax
- May 12, 2015          City Council
- Adopt Ordinance to Levy Special Tax



**RESOLUTION NO.**

Adopted by the Sacramento City Council

**DETERMINING THE RESULT OF THE SPECIAL  
MAILED-BALLOT ELECTION HELD ON May 5, 2015, WITHIN  
MCKINLEY VILLAGE COMMUNITY  
FACILITIES DISTRICT NO. 2014-03 (SERVICES)**

**BACKGROUND:**

- A.** The City Clerk has duly canvassed the votes cast by the qualified electors within McKinley Village Community Facilities District (the “**District**”) No. 2014-03 (Services) at the special mailed-ballot election held within the District on May 5, 2015, upon the proposition set forth below.
- B.** The City Clerk has certified to the City Council the result of the votes cast at the special mailed-ballot election upon the proposition, and the certification is now on file in the City Clerk's office.

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

Section 1 The statements in paragraphs A and B of the Background are accurate.

Section 2 At the special mailed-ballot election, the following proposition was submitted to the qualified electors of the District:

Shall the City of Sacramento McKinley Village Community Facilities District No. 2014-03 (Services) (“the CFD”) be authorized to finance maintenance of parks, drainage basin landscaping, open space landscaping and sound wall repair and maintenance within public rights-of-way, as more fully described in Resolution No. 2015-0077 adopted by the City Council on March 24, 2015, and incorporated herein by reference; and shall an appropriations limit in the amount of \$285,000 per fiscal year in connection therewith be established for the CFD; and shall a special tax with a maximum rate and method of apportionment as provided in Resolution No. 2015-0077 be levied to pay for maintenance services?

Section 3 The canvass of the votes cast at the special mailed-ballot election held in the District on May 5, 2015, as shown by the City Clerk's certification, is approved and confirmed.

Section 4 The total number of votes cast for and against the proposition at the special mailed-ballot election in the District, as set forth in the canvass, is as follows:

**Total Votes: 52    Votes For: 52    Votes Against: 0**

Section 5 More than two-thirds of all votes cast at the special mailed-ballot election were cast in favor of the proposition, and the proposition carried.

Section 6 The City Clerk is directed to enter this resolution on the minutes of the City Council, and that entry will constitute the official declaration of the result of the special mailed-ballot.

election. The City Clerk is further authorized and directed to record a notice of special-tax lien in accordance with Streets and Highways Code section 3114.5.

Section 7 Exhibit A is part of this resolution.

**Table of Contents:**

Exhibit A: Boundary Map

# Exhibit A

**BOUNDARY MAP  
MCKINLEY VILLAGE COMMUNITY  
FACILITIES DISTRICT NO. 2014-03  
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 \_\_\_\_\_, 2015

CITY CLERK  
CITY OF SACRAMENTO, CALIFORNIA

**CLERK'S CERTIFICATE.**

I HEREBY CERTIFY THAT THE MAP SHOWING THE BOUNDARY MAP OF MCKINLEY VILLAGE COMMUNITY FACILITIES DISTRICT NO. 2014-03, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015, BY ITS RESOLUTION NO. \_\_\_\_\_

CITY CLERK  
CITY OF SACRAMENTO, CALIFORNIA

**COUNTY RECORDER'S FILING STATEMENT.**

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015 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  
SPECIAL DISTRICTS/COMMUNITY FACILITIES DISTRICTS - B.M. 02/13/2014

**NORTH**

0 250 500 1,000 Feet

Boundary Line

**ORDINANCE NO.**

Adopted by the Sacramento City Council

**LEVYING A SPECIAL TAX FOR THE PROPERTY-TAX YEAR 2015-2016 AND FOLLOWING TAX YEARS SOLELY WITHIN AND RELATING TO THE MCKINLEY VILLAGE COMMUNITY FACILITIES DISTRICT NO. 2014-03 (SERVICES) FOR THE MAINTENANCE OF AREAS IN AND AROUND THE MCKINLEY VILLAGE DEVELOPMENT PROJECT**

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

1. On April 28, 2015, the City Council adopted Resolution No. 2015-0111 (the "**Resolution**"), thereby establishing the McKinley Village Community Facilities District No. 2014-03 (Services) (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 2015-2016 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.