



Agenda Date: \_\_\_\_\_

Agenda Item: \_\_\_\_\_

## STAFF REPORT

Approved and Forwarded to City Council:

**Bryan H. Montgomery, City Manager**

**Date:** Tuesday, January 12, 2016  
**To:** Bryan H. Montgomery, City Manager  
**From:** Kevin Rohani, Public Works Director/City Engineer  
**SUBJECT:** Approve the Formation of the City of Oakley Community Facilities District No. 2015-2 (Parks, Street Light, Landscape and Stormwater Services) ("CFD No. 2015-2"), hold a Public Hearing and Special Landowner Election, Declare the Results of the Election and Introduce an Ordinance to Levy a Special Tax for CFD No. 2015-2

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### **Background and Analysis**

On May 26, 2015, City Council approved Subdivision Maps No. 9080 and No. 9391. These subdivision maps encompass the development known as the Prescott Parc Project. The Prescott Parc Project will consist of 40 single-family residential parcels which are located between Picasso Drive and Frank Hengel Way south of Escher Circle in the central part of the City of Oakley. As a condition of development, the property owner, Prescott Parc, LLC, was required to establish a funding mechanism to mitigate their project's fiscal impact on regional, community and neighborhood parks, street lighting, neighborhood landscaping and stormwater detention facilities.

On October 20, 2015 the City received a petition from Prescott Parc, LLC requesting the establishment of a new Community Facilities District. On October 27, 2015, the City Council adopted Resolution No. 124-15, (the "Resolution of Intention"), declaring its intention to establish CFD No. 2015-2. On December 8, 2015, the City Council adopted Resolution No. 144-15, (the "Amended and Restated Resolution of Intention"), which amended the original Resolution of Intention. The Amended and Restated Resolution of Intention to establish Community Facilities District No. 2015-2 added language that was missing from the original Resolution of Intention, regarding the formation of the Future Annexation Area in order to facilitate future annexations to the district. If formed, CFD No. 2015-2 will provide a funding mechanism to cover the annual costs associated with maintenance, operation, monitoring, and replacement of regional, community and neighborhood parks, street lighting, neighborhood landscaping, stormwater detention facilities and associated administrative costs. A complete list of these authorized services was approved in the Resolution of Intention, and is included in Attachment 1 – Exhibit A of the Community Facilities District Report and Attachment 2 – Exhibit A of the Resolution of Formation.

On November 9, 2015, the Boundary Map (see Attachment 1 – Exhibit B of the Community Facilities District Report) was recorded with the Contra Costa County Recorder's office as required by the CFD Act. The Proposed Boundary Map also includes a "Future Annexation Area" which corresponds to the City's boundaries. This future annexation area will enable all future development projects within the City to annex

into CFD No. 2015-2 with the unanimous approval of the property owner and with Council's approval. It is anticipated that future development projects may be annexed into CFD No. 2015-2 when they are approved for development or property owners may request a separate financing mechanism to mitigate their fiscal impacts to the City. The benefit of establishing a "Future Annexation Area" is that the annexation process into CFD No. 2015-2 is significantly streamlined, which saves staff time and costs to Developers. By creating this "Future Annexation Area" for CFD No. 2015-2, staff is able to bring future CFD annexations to City Council for approval at one Council meeting, instead of the lengthy three Council meeting process.

Based on an estimate of the costs to be incurred by the City of Oakley for providing the authorized services for CFD No. 2015-2, the maximum combined annual special tax is \$1,391.95 (in FY 2015-16 dollars) per single-family residential parcel. A breakdown of the maximum annual special tax by service category is shown in the attached Resolution of Formation under Exhibit "B" (Rate & Method of Apportionment of Special Tax). The funds collected will be tracked and used for the services described in Exhibit "A" (Description of Services). As specified in the rate and method of apportionment of special tax, annual increases in the maximum special tax are limited to the prior year's change in the Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose, CA) with minimum annual increase of 3% and a maximum annual increase of 5% over the previous year's maximum special tax.

The Amended and Restated Resolution of Intention set the City Council meeting of January 12, 2016 as the time and place for the required public hearing to allow public input regarding the formation of CFD No. 2015-2. The Notice of Public Hearing was also published in the East County Times on December 14, 2015.

The specific format that must be followed for the formation of the CFD No. 2015-2 includes the following steps. Following the opening of the public hearing, any comments from the public are to be solicited and heard by Council. After taking the public testimony, the hearing would be closed and Council is requested to consider the attached two Resolutions.

1. Resolution No. 2016 - \_\_\_ which is a Resolution of Formation that approves the formation of Communities Facilities District No. 2015-2 (Attachment 2);
2. Resolution No. 2016 - \_\_\_ which is a Resolution Calling the Special Landowner Election (Attachment 3);

Should the above resolutions be adopted by Council, the landowner special election would then be conducted. Prescott Parc, LLC is the only landowner and qualified elector within the district at this time; therefore, Prescott Parc, LLC's ballot will be opened and the vote tallied by the City Clerk at the Council meeting. Following the vote, and assuming the election is successful, Council is requested to consider the following:

1. Resolution No. 2016 - \_\_\_\_ which is a Resolution Declaring the Results of the Special Landowner Election (Attachment 4); and
2. Introduction of Ordinance No. \_\_\_\_\_ which is an Ordinance establishing the Levy of the Special Tax (Attachment 5).

Should Council adopt the resolution and introduce the ordinance, the City Clerk would subsequently record the Notice of Special Tax Lien with the Contra Costa County Recorder's office. A second reading of the ordinance would be scheduled for the January 26, 2016 City Council Meeting. Final publication of the ordinance would then take place on February 10, 2016, completing the formation of CFD No. 2015-2.

### **Fiscal Impact**

Development of the Prescott Parc Project requires a funding mechanism to mitigate the fiscal impact of the project's regional, community and neighborhood parks, street lighting, neighborhood landscaping, stormwater detention facilities and associated administrative costs. CFD No. 2015-2 will provide the financing mechanism to levy an annual Special Tax to pay for these services. Following the creation of CFD No. 2015-2, the levy of the special tax can be levied annually commencing in Fiscal Year 2016-17 if necessary.

### **Recommendation**

Staff recommends that the City Council adopt the following three Resolutions and introduce one ordinance:

1. Resolution No. 2016 - \_\_\_\_ which is a Resolution of Formation that approves the formation of Communities Facilities District No. 2015-2;
2. Resolution No. 2016 - \_\_\_\_ which is a Resolution calling the Special Landowner Election;
3. Resolution No. 2016 - \_\_\_\_ which is a Resolution declaring the results of the Special Landowner Election; and
4. Ordinance No. \_\_\_\_\_ which is an Ordinance establishing the Levy of the Special Tax.

### **Attachments**

- 1) Community Facilities District Report;
  - a. Exhibit A - Description of Services;
  - b. Exhibit B - Boundary Map; and
  - c. Exhibit C - Cost Estimate.
- 2) Resolution of Formation;
  - a. Exhibit A - Description of Services; and
  - b. Exhibit B - Rate and Method of Apportionment of Special Tax.
- 3) Resolution of Calling the Special Landowner Election;
  - a. Exhibit A - Official Ballot Special Tax Election.
- 4) Resolution Declaring Results of Special Landowner Election and Directing Recording of Notice of Special Tax Lien; and
- 5) Ordinance Levying Special Tax.