



Staff Report

City Council

Item No. {{section.number}}.A

Meeting Date: May 22, 2024

From: Kevin Biersack, Financial Services Director

Title: CFD 2006-1, IA #21, Formation, Election and Ordinance Public Hearing

RECOMMENDATION:

City Council of the City of Cathedral City, acting on behalf of Improvement Area (IA) No. 21 of the City of Cathedral City Community Facilities District (CFD) 2006-1 (law enforcement, police, paramedic, park and general maintenance services), adopt the following:

- Resolution of Formation determining the validity of prior proceedings (Resolution 2024-14, Resolution of Intention)
- Resolution Calling for a Special Election
- Resolution Canvassing the Results of the Special Election
- Introduce the 1st reading of an Ordinance Authorizing the Levy of a Special Tax

BACKGROUND:

On April 10, 2024, the City Council declared its intention to form Improvement Area No.21 of the City of Cathedral City Community Facilities District No. 2006-1 (law enforcement, fire, paramedic, park maintenance and general maintenance services) (“CFD”) for the purpose of paying for additional law enforcement, fire, paramedic, park and general maintenance services within areas of new development.

DISCUSSION:

A public hearing has been set for May 22, 2024. As directed in the Resolution of Intention, David Taussig & Associates, Inc. prepared the Rate and Method of Apportionment (“RMA”), an analysis of the special tax to allow each property owner or resident, within the proposed district, to understand the annual amount required for payment.

New developments are conditioned to join CFD 2006-1 and will join through an annexation process. The annexations will be processed in a timely manner, as new developments go through the approval processes. If formed, this CFD will provide a secure source of funding for the services described above that may not be taken away by Sacramento in the case of

State budget cuts. It is proposed this improvement area will be formed within the CFD for the Grove Apartments, a 19-unit development project.

Provided there is no majority protest at this public hearing, the City Council may adopt the resolution forming the CFD. A waiver regarding election timelines from the property owner has been received, so an election can be held May 22, 2024 authorizing the levy of a special tax. Should the proposition for the CFD pass with a two-thirds vote from the qualified voters (the landowners) within the CFD, the City Council may have the first reading of an Ordinance levying the special tax.

TABLE 1
Maximum Special Tax for Developed Property
For Fiscal Year 2024-2025
Improvement Area No. 21

Land Use Class	Description	Maximum Special Tax
1	Residential	\$ 669.50 per Equivalent Dwelling Unit
2	Non-Retail Commercial/Industrial Property	\$0.1556 per SF of Floor Area

FISCAL IMPACT:

The proposed project is residential therefore, as identified in Table 1, the rate for land use class of residential, per equivalent dwelling unit (“EDU”) for Fiscal Year (“FY”) 2024-2025, is \$669.50. The non-retail commercial/industrial property special tax is not applicable. This special tax increases (but does not decrease) by the percentage change in the Consumer Price Index, not to exceed one percent (1%) per fiscal year.

The proposed IA No. 21, Grove Apartments project will generate annual revenue in the amount of \$12,720.50.

FIVE-YEAR STRATEGIC PLAN:

This action will further Goal C – Fiscal Stability and Sustainability

Objective - Cathedral City has economically prospered by facilitating the investment of private dollars in high quality development which benefits the community. We remain financially solvent by instituting prudent fiscal policies and transparent financial practices.

ATTACHMENTS:

1. Cathedral City CFD 2006-1, IA #21 - Resolution of Formation RMA CFD 2006-1 IA 19 01
2. CFD 2006-1 IA 19 Boundary Map – Recorded
3. Cathedral City CFD 2006-1, IA #21 - Resolution Calling a Special Election
4. Cathedral City CFD 2006-1, IA #21 - Resolution Canvassing Results of the Special Election

5. Cathedral City CFD 2006-1, IA #21 – Ordinance
6. RMA CFD 2006-1, IA 21