



# **Formation of Community Facilities District 2021-1**

**May 18, 2021**



**Presentation By:**  
**Diana Langley, Public Works Director**

# Background



- City growth policies require new development to pay for its share of increased costs of operations and/or maintenance for police, fire, parks, drainage, and ongoing street maintenance costs
- The Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act) provides a mechanism for cities to form districts in order to finance the provision of these municipal services

# Background



- On September 5, 2017, Council adopted Resolution 17-065 authorizing the formation of Community Facilities District 2017-1 (CFD 2017-1)
- Recently, several residential developments have annexed into CFD 2017-1 and the process has been unnecessarily complex and burdensome on staff and Council resources
- Staff is recommending that the City create a new CFD to clarify the procedural requirements for joining the CFD so that future property owners can join easily by unanimous written consent

# Analysis



- The Mello-Roos Act governs the formation of community facilities districts.
- Requires that prior to forming a district, the City Council adopt policies related to the types of items it will finance and whether it will use bonded indebtedness
- Staff has prepared policies complying with the Mello-Roos Act and recommends that Council adopt a Resolution adopting these policies



- Staff also recommends Council adopt a Resolution of Intention to form CFD 2021-1, to authorize a levy of a special tax therein, and to authorize the annexation of future territories that desire to annex by unanimous written approval
- The proposed boundary of CFD 2021-1 will encompass the proposed Dunn Ranch Estates – Unit 1 Subdivision at the southeast corner of Royo Ranchero Drive and Monroe Road

# Analysis



**PROPOSED BOUNDARY MAP**  
**CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT No. 2021-1 (MUNICIPAL SERVICES)**  
**DUNN RANCH - UNIT 1**  
CITY OF YUBA CITY  
SUTTER COUNTY, STATE OF CALIFORNIA

SHEET 1 of 1

The map shows a proposed boundary for Dunn Ranch - Unit 1, outlined in black. The area is situated within a larger grid of land parcels. The boundary starts on the west side, goes south, then east, then south again, and finally east to the east side. The map is labeled with "PROPOSED BOUNDARY" and "EXISTING CITY LIMIT BOUNDARY".

Filed in the Office of the City Clerk this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

Jackie Silman, City Clerk  
City of Yuba City  
Sutter County  
State of California

I hereby certify that the within map showing proposed boundaries of CFD 2021-1 in the City of Yuba City, Sutter County, State of California, was approved by the City Council of the City of Yuba City at a regular meeting thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2021 by its Resolution No. \_\_\_\_\_.

Jackie Silman, City Clerk  
City of Yuba City  
Sutter County  
State of California

Filed this \_\_\_\_\_ day of \_\_\_\_\_, 2021, 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 in Sutter County, State of California.

Donna Johnston  
County Recorder  
Sutter County  
State of California

Deputy \_\_\_\_\_  
Document No. \_\_\_\_\_  
Fee: \_\_\_\_\_

**Legend**  
[Black Outline] Proposed Boundary  
[Red Outline] Existing City Limit Boundary

A simple north arrow pointing upwards, with the letter "N" at the top.

# Analysis



- Future annexation areas include numerous undeveloped residential parcels within the City's Sphere of Influence
- Amendments will be made to the future annexation areas periodically as development progresses
- To finalize the formation of CFD 2021-1, staff will return to Council on July 6th, 2021, to hold a public hearing, call the election for Dunn Ranch Estates – Unit 1, open the ballots, declare the results, and adopt an ordinance
- Future residential projects will then be able to annex into CFD 2021-1 at a single Council meeting by submitting a unanimous written consent, if desired.



# Fiscal Impact

- The Hearing Report for CFD 2021-1 follows the same methodology used in the formation of CFD 2017-1
- The current levy is \$467.10 annually per single family residential unit, \$340.70 for multi-family residential units
- Levy contains an escalation factor equal to the percentage escalation of the City's combined Police and Fire Department budgets, up to a maximum of 4 percent
- A total of 56 residential parcels are contained in Dunn Ranch Estates – Unit 1 resulting in a total current annual levy of \$26,157.60



# Alternatives



- Do not authorize the formation of CFD 2021-1 and direct staff on other acceptable means of assuring development contributes it fair share of impacts to services
- Require staff to develop an alternative method of rate and apportionment for CFD 2021-1

# Recommendations



- Adopt a Resolution adopting policies related to Community Facilities Districts for services
- Adopt a Resolution declaring the intention to establish City of Yuba City Community Facilities District 2021-1 (Municipal Services), authorizing the levy of a special tax therein to finance certain services, and authorizing the annexation of future territory in the future annexation area to the district by unanimous written approval



# Questions