



DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

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DEVELOPMENT SERVICES DIVISION

January 16, 2004

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: DEVELOPMENT FEE FINANCING COMMUNITY FACILITIES DISTRICT  
NO. 95-01 ANNEXATION #2 – INITIATE PROCEEDINGS**

**LOCATION AND COUNCIL DISTRICT:**

Properties included in this annexation are located in Council District 8 (see Attachment A).

**RECOMMENDATION:**

This report recommends that the City Council adopt the following:

- Resolution of Intention to Annex Property to the Development Fee Financing District (DFF) CFD 95-01 and call for a Public Hearing on March 9, 2004
- Resolution amending the DFF program by extending the maximum term of Bonds from 10 years to 20 years

**CONTACT PERSON:** Sini Makasini, Administrative Analyst, 808-7967

**FOR COUNCIL MEETING OF:** February 3, 2004

**SUMMARY:**

This report presents a proposal to annex six parcels of land to the Development Fee Financing Community Facility District. This Community Facility District (CFD) allows the City to issue Mello-Roos bonds and finance certain development fees over a 20-year period (contingent on City Council approval). Properties proposed for annexation are owned by JTS Communities, Inc. and Bryte Gardens, LTD. The recommended Council action will formally initiate the annexation proceedings and set a Public Hearing for March 9, 2004.

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

The Development Fee Financing CFD was approved by City Council on April 6, 1995 by adoption of Resolution No. 95-138. The purpose of the district is to allow developers to pay certain development fees, usually over a 10-year period. Fees eligible for deferral are those, which are directly related to public improvements (e.g. major street construction tax, sewer, water, school, Regional Sanitation and SMUD fees). Development fees used to pay for operating costs of the public agencies are not included (e.g. building permit, plan check, business operations tax, processing and planning fees). Deferral of fees is accomplished by issuing Mello-Roos bonds in the amount of the fees plus issuance costs. The original district included five commercial/industrial properties. The district was set up so that other properties could periodically annex to the district. This will be the district's second annexation.

Proposed Annexation

The proposed annexation includes six parcels representing a total of 519 residential units to be assessed annually at \$1,080.00 per unit. The total acreage to be annexed is approximately 129 acres. The annexation approval and election are scheduled for March 9, 2004 as shown on the attached schedule (see Attachment B).

**FINANCIAL CONSIDERATIONS:**

All costs of the annexation process are incurred by the property owner as part of their special tax. The program is designed to be 100% self supporting with no impact to the City's General Fund. The estimated cost of the district is itemized as follows:

Total Development Fees to be Financed:	\$4,390,000
Bond Costs:	
Bond Counsel	27,500
Tax Consultant	20,000
Bond Printing	10,000
Special Districts Information Reporting System (SDIRS)	36,013
Annexation process and Administration Costs	101,500
Subtotal	\$4,585,013
Reserve Account	520,500
Bond Discount	<u>98,895</u>
TOTAL DISTRICT COSTS:	\$5,204,408

City Council  
 Community Facilities District No. 95-01 Annexation #2 – Initiate Proceedings  
 February 3, 2004

The following chart shows the special tax apportioned to each parcel in the district and the maximum annual special tax levy.

Parcel Number	Total Cost Cost / 1	Total Annual Special Tax	Maximum Annual Tax
052-0010-032	\$691,994	\$64,800	\$74,520
052-0010-082	\$1,303,757	\$122,087	\$140,400
052-0010-083	\$521,503	\$48,835	\$56,160
052-0010-084	\$732,110	\$68,557	\$78,840
052-0010-085	\$120,347	\$11,270	\$12,960
052-0010-086	<u>\$1,835,289</u>	<u>\$171,861</u>	<u>\$197,640</u>
<b>TOTAL</b>	<b>\$5,205,000</b>	<b>\$487,410</b>	<b>\$560,520</b>

The tax rates shown are based on the special tax formula for the CFD. For example, each parcel is assigned the total cost of eligible development fees computed (based on the development plans) for each particular parcel. The bond costs, reserve account and bond discount categories are assigned to each parcel in proportion to each parcel's total development fees. The maximum annual tax is computed at 115% of the Annual Special Tax.

Bond Authorization

When the original district was formed in 1995, Council authorized a maximum bond issuance of \$25 million. The bonds are being issued on parity with the District's Development Fee Financing CFD No. 95-01 Special Tax Bonds, Series A and B, in the amounts of \$1.8 million and \$2.515 million, respectively. This proposed annexation will issue an additional \$5.205 million leaving \$15.48 million available for future annexations.

**ENVIRONMENTAL CONSIDERATIONS:**

Under California Environmental Quality Act (CEQA) Guidelines, administration and annexation into a CFD does not constitute a project and therefore is exempt from review.

**POLICY CONSIDERATIONS:**

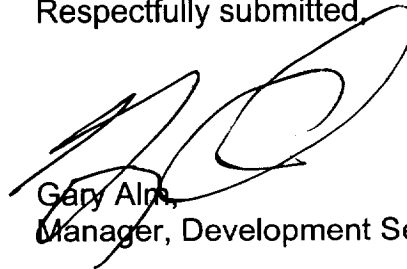
Council approved the Development Fee Financing CFD on April 6, 1995. The procedures under which this annexation is being conducted are set forth in Title 5 of the Government Code; Sections 53311-53317.5 entitled "The Mello-Roos Community Facilities Act of 1982." Annexation into the Development Fee Financing District CFD 95-01 is consistent with the City's Strategic Plan in promoting and supporting economic vitality.

City Council  
Community Facilities District No. 95-01 Annexation #2 – Initiate Proceedings  
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**ESBD:**

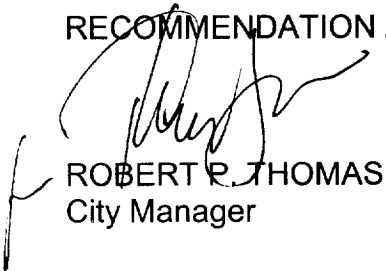
None. No goods or services are being purchased.

Respectfully submitted,



Gary Alon,  
Manager, Development Services

RECOMMENDATION APPROVED:



ROBERT R. THOMAS  
City Manager

Approved:

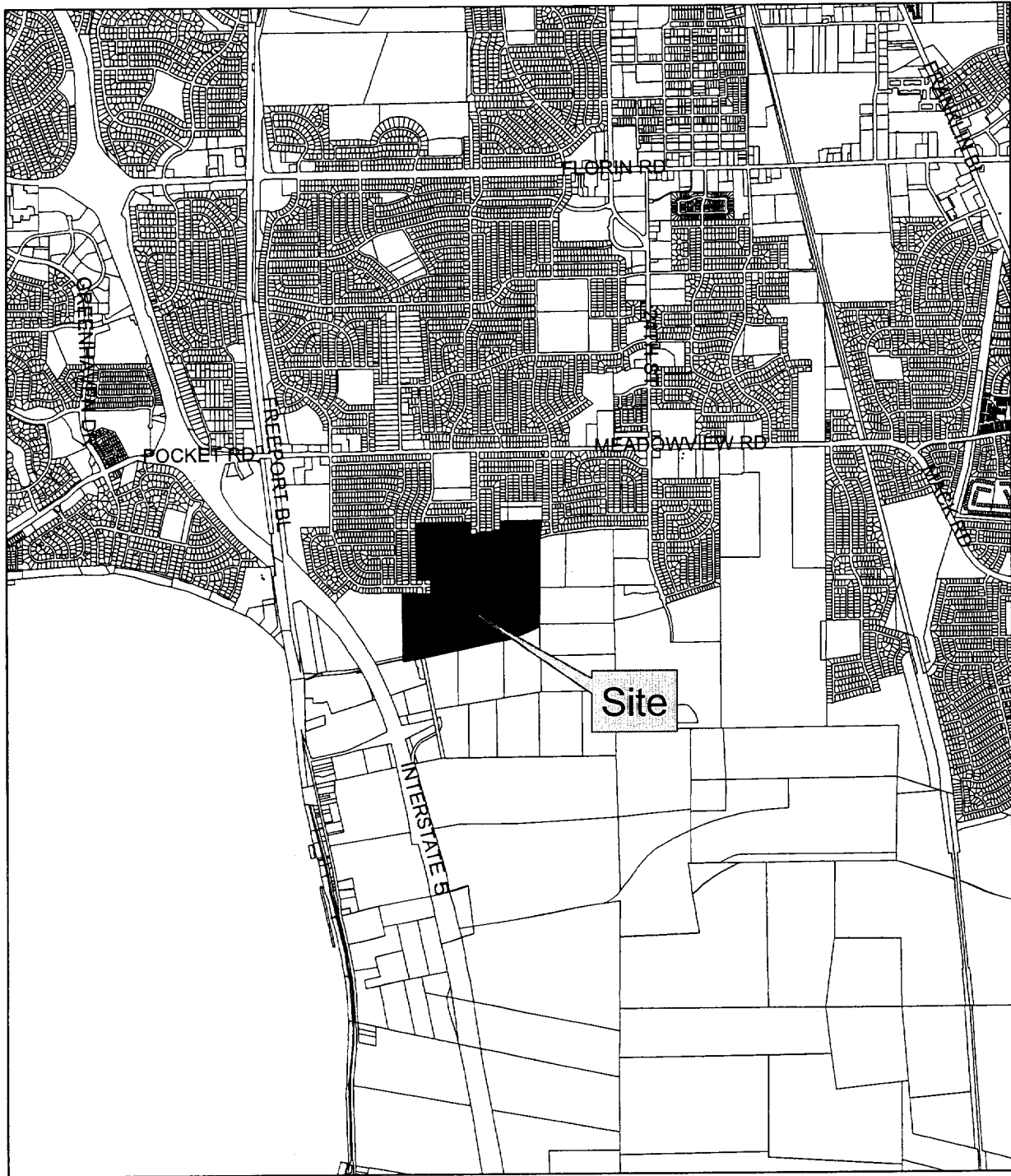


Thomas V. Lee  
Deputy City Manager

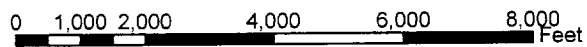
1. Attachment A, Map of Annexation #2 - pg.5
2. Attachment B, Schedule of Annexation Proceedings - pg.6
3. Resolution of Intention to Annex Property – pg.7
4. Exhibit A, Annexation Map No. 2 - pg.11
5. Exhibit B, Development Fee Financing  
CFD Map- pg 12
6. Exhibit C, Annexation No. 2 Cost Spread,  
Tax Formula - pg 13
7. Exhibit D, Development Fee Financing  
CFD No. 95-01, - pg. 14
8. Resolution Amending Development  
Fee Financing Program - pag. 15

Development Fee Financing CFD  
Annexation #2

Attachment A



B Mueller  
12/30/03



City Council  
Community Facilities District No. 95-01 Annexation #2 – Initiate Proceedings  
February 3, 2004

**Attachment B**

Development Fee Financing CFD Annexation No. 2  
Schedule

<b>February 3, 2004</b>	<b>City Council - Resolution of Intention</b>
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February 4, 2004	Mail Notice of Hearing
March 9, 2004	City Council - Hearing, Call for Special Election
March 10, 2004	Mail Ballots (Waiver of 90 day period)
March 24, 2004	Ballots Due
March 30, 2004	City Council - Election Results & Pass for Publication Ordinance to Levy Tax
March 31, 2004	Record Notice of "Special Tax"
April 20, 2004	City Council - Adopt Ordinance to Levy Tax

**RESOLUTION NO. \_\_\_\_\_**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF FEBRUARY 3, 2004

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO DECLARING ITS INTENTION TO ANNEX TERRITORY TO DEVELOPMENT FEE FINANCING COMMUNITY FACILITIES DISTRICT NO. 95-01, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND CALLING A PUBLIC HEARING TO CONSIDER SUCH PROPOSED ANNEXATION**

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City") has determined, under the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"), that the public convenience and necessity require that certain territory (the "Territory") shown and described on the map entitled "Annexation Map No. 2 to Development Fee Financing Community Facilities District No. 95-01, City of Sacramento, County of Sacramento, State of California" on file in the office of the City Clerk, a copy of which map is marked Exhibit A and attached hereto and incorporated herein and made a part hereof and which map is approved by the Council as the map of the Territory and shall govern for all details thereof, be annexed to the existing Development Fee Financing Community Facilities District No. 95-01, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District"), the existing boundaries of which Community Facilities District are shown and described on the map marked Exhibit B and attached hereto and incorporated herein and made a part hereof, and that (in connection with such annexation) the public convenience and necessity require that special taxes be levied in the Territory higher than the existing special taxes authorized to be levied in the District to pay for the development fees to be financed with bonds pursuant to the Act, which such special taxes are more particularly described in Exhibit C attached hereto and incorporated herein and made a part hereof and which such special taxes will be secured by the recordation of a continuing lien against all non-exempt property in the Territory; and

WHEREAS, the Council is fully advised in this matter;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:

Section 1. The above recitals are true and correct, and the Council so finds and determines.

Section 2. The City Clerk is hereby authorized and directed to record a copy of the map constituting Exhibit A hereto within fifteen (15) days of the adoption of this resolution

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

with the County Recorder of Sacramento County in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

Section 3. It is hereby declared to be the intention of the Council to and the Council hereby determines that, under and pursuant to the terms and provisions of the Act, the public convenience and necessity require that it commence proceedings to annex the Territory to the Community Facilities District as proposed herein and that (in connection with such annexation), the special tax rate authorized to be levied in the Territory shall be higher than the existing special tax rate authorized to be levied in the District as provided herein.

Section 4. There is no change proposed to the types of development fees authorized to be financed by the Community Facilities District pursuant to the Act; and accordingly the types of development fees currently financed by the Community Facilities District in the existing Community Facilities District pursuant to the Act (and the types of development fees proposed to be financed by the Community Facilities District in the Territory pursuant to the Act after the completion of the annexation) are set forth in Exhibit D that is attached hereto and incorporated herein and made a part hereof. Additionally, since such development fees are site specific to each parcel of land, there is no plan for sharing the financing of the development fees that will be provided in common within the Community Facilities District and within the Territory. Finally, the City is authorized to enter into an agreement with any person or entity advancing funds or work in-kind to the Community Facilities District or the Territory to repay all or a portion of such funds advanced or to reimburse the person or entity for the value, or cost, whichever is less, of such work in-kind, as determined by the City, from the proceeds of the sale of bonds of the Community Facilities District.

Section 5. Notice is given that Tuesday, the 9<sup>th</sup> day of March, 2004, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, at the Interim City Hall, 730 I Street, First Floor, Sacramento, California 95814, is hereby fixed by the Council as the time and place for a public hearing to be held by the Council to consider the proposed annexation of the Territory to the Community Facilities District and the levying of such special taxes of the Community Facilities District within the Territory and all other matters set forth in this resolution. At such public hearing any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District and within the Territory, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the proposed annexation of the Territory to the Community Facilities District or the levying of such special taxes of the Community Facilitates District within the Territory or on any other matters set forth in this resolution will be heard and considered. Any protests to the foregoing may be made orally or in writing by any such interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. If fifty (50) per cent or more of the registered voters, or six (6) registered

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DATE ADOPTED: \_\_\_\_\_

voters, whichever is more, residing within the Community Facilities District, or if fifty (50) per cent or more of the registered voters or six (6) registered voters, whichever is more, residing within the Territory, or if the owners of one-half (1/2) or more of the area of land within the Community Facilities District, or if the owners of one-half (1/2) or more of the area of land within the Territory, file written protests against the proposed annexation of the Territory to the Community Facilities District, and such protests are not withdrawn so as to reduce the value of the protests to less than a majority, then no further proceedings to annex the Territory to the Community Facilities District as herein proposed shall be taken for a period of one (1) year from the date of the decision by the Council on the issues discussed at such public hearing. At the conclusion of such public hearing, the Council may abandon the proceedings to annex the Territory to the Community Facilities District or may, after passing upon all protests, determine to proceed to call an election to submit to the qualified electors of the Territory the question of annexing the Territory to the Community Facilities District and authorizing the levy of such special taxes of the Community Facilities District within the Territory; and if the Council determines at the conclusion of such public hearing to call such an election, the voting procedure at such election shall be by landowners in the Territory voting in accordance with the Act.

Section 6. Notice of the time and place of such public hearing shall be given by the City Clerk by publishing a Notice of Public Hearing in the form required by the Act in the *Daily Recorder*, a newspaper of general circulation published in the area of the Community Facilities District and the Territory, which such publication shall be made pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing, and by mailing a Notice of Public Hearing in the form required by the Act to all landowners within the Territory, which such mailing shall be completed at least fifteen (15) days prior to the date set for such public hearing.

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

PASSED AND ADOPTED by the City Council of the City of Sacramento this  
3rd day of February, 2004, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

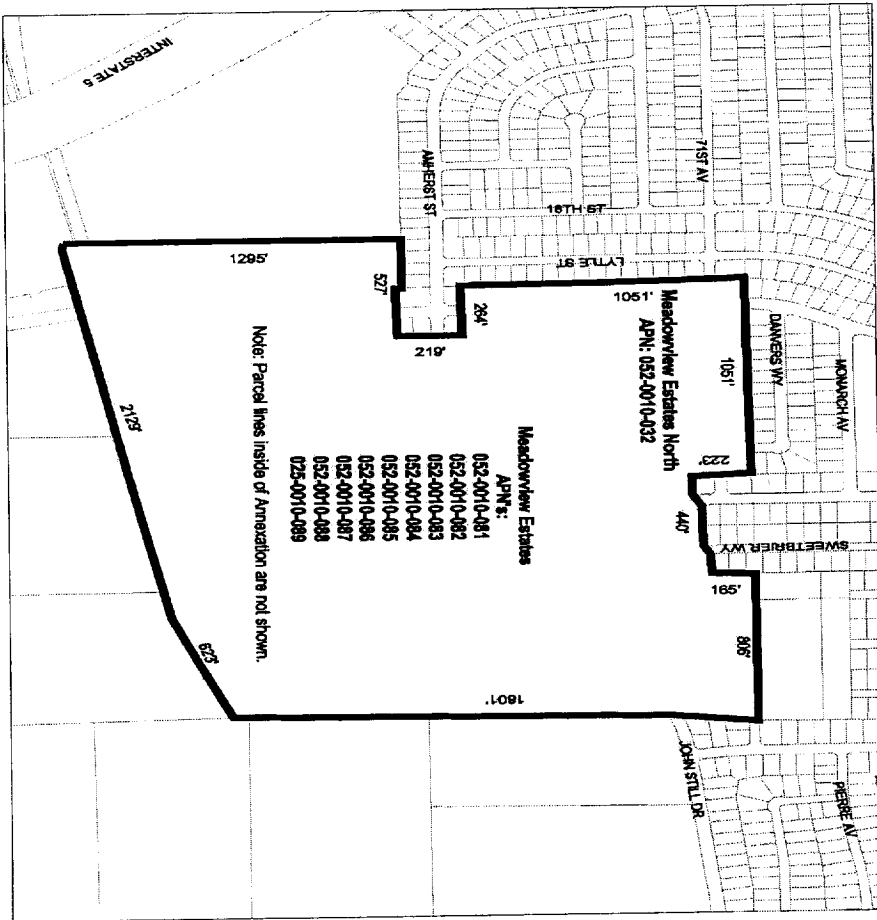
\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

EXHIBIT A



**ANNEXATION MAP NO. 2 TO  
DEVELOPMENT FEE FINANCING  
COMMUNITY FACILITIES DISTRICT No. 95-01**

CITY OF SACRAMENTO - COUNTY OF SACRAMENTO - STATE OF CALIFORNIA  
SHEET 1 OF 1

**CLERK'S CERTIFICATE AND MAP FILING STATEMENT:**

FILED IN THE OFFICE OF THE CLERK OF CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS \_\_\_ DAY OF \_\_\_, 2004.

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION 2 TO DEVELOPMENT FEE FINANCING COMMUNITY FACILITIES DISTRICT NO. 95-01, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF, HELD ON THE \_\_\_ DAY OF \_\_\_, 2004, BY ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK,  
CITY OF SACRAMENTO, CALIFORNIA

**COUNTY RECORDER'S FILING STATEMENT:**

FILED THIS \_\_\_ DAY OF \_\_\_, 2004 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.

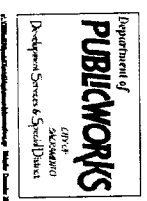
COUNTY RECORDER  
OF THE COUNTY OF SACRAMENTO, CALIFORNIA

BY: \_\_\_\_\_ DEPUTY  
DOCUMENT NO. \_\_\_\_\_

**Legend**

— Boundary Line

NPD Not Part of District

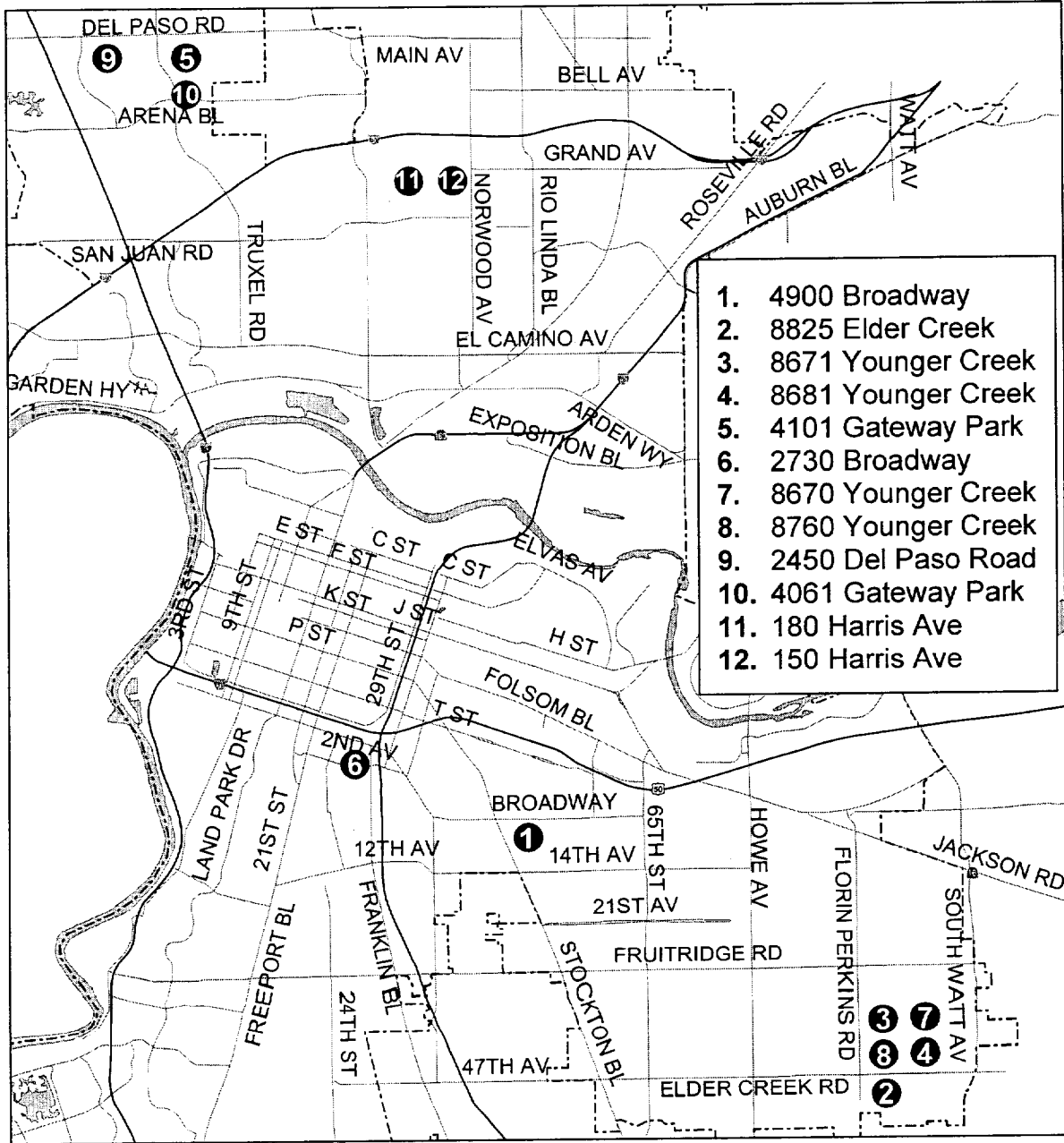


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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

# Development Fee Financing CFD 95-01



1. 4900 Broadway
2. 8825 Elder Creek
3. 8671 Younger Creek
4. 8681 Younger Creek
5. 4101 Gateway Park
6. 2730 Broadway
7. 8670 Younger Creek
8. 8760 Younger Creek
9. 2450 Del Paso Road
10. 4061 Gateway Park
11. 180 Harris Ave
12. 150 Harris Ave



BMueller 1/8/04



**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

# EXHIBIT C

## DEVELOPMENT FEE FINANCING CFD No. 95-01 ANNEXATION No. 2 COST SPREAD Tax Formula

Parcel Number (1)	Est. Number of Units on Parcel	Total Fees		Bond Costs	Reserve Account (3)	Total Bond Issue (4)	Total Annual Debt Service	Annual Admin. Costs (5)	Total Annual Special Tax (6)		Maximum Annual Special Tax (7)	
		Funded By CFD (2)										
052-0010-032	69	\$583,642		\$39,153	\$69,199	\$691,994	\$62,781	\$2,019	\$64,800		\$74,520	
052-0010-082	130	\$1,099,615		\$73,767	\$130,376	\$1,303,757	\$118,282	\$3,805	\$122,087		\$140,400	
052-0010-083	52	\$439,846		\$29,507	\$52,150	\$521,503	\$47,313	\$1,522	\$48,835		\$56,160	
052-0010-084	73	\$617,476		\$41,423	\$73,211	\$732,110	\$66,420	\$2,137	\$68,557		\$78,840	
052-0010-085	12	\$101,503		\$6,809	\$12,035	\$120,347	\$10,918	\$351	\$11,270		\$12,960	
052-0010-086	<u>183</u>	<u>\$1,547,919</u>		<u>\$103,841</u>	<u>\$183,529</u>	<u>\$1,835,289</u>	<u>\$166,505</u>	<u>\$5,356</u>	<u>\$171,861</u>		<u>\$197,640</u>	
<b>TOTAL</b>	<b>519</b>	<b>\$4,390,000</b>		<b>\$294,500</b>	<b>\$520,500</b>	<b>\$5,205,000</b>	<b>\$472,219</b>	<b>\$15,190</b>	<b>\$487,409</b>		<b>\$560,520</b>	

(1) The parcels within Annexation No. 2 will be subdivided into 519 residential lots. As this occurs, the Maximum Annual Special Tax will be reallocated to each residential lot at a rate of \$1,080 per lot. CFD Annexation No. 2 also includes parcels 052-0010-081, 052-0010-087, 052-0010-088, and 052-0010-089; these parcels are too small to contain a full residential lot and therefore will not be subject to the CFD tax.

(2) Equals approximately \$8,459 in eligible development fees that can be funded per residential unit.

(3) The Reserve Account equals 10% of the bond issue.

(4) The total bond issue amount is based on a 6.5% annual average interest rate and a 20 year bond term.

(5) As determined by City staff, any annual CFD administration costs associated with Annexation No. 2 that are incurred prior to the issuance of bonds may be funded through the bond issue.

(6) The Annual Special Tax will not be levied until and unless required to fund the debt service and the annual administration costs associated with the issuance of bonds for CFD No. 95-01 Annexation No. 2.

(7) The Maximum Annual Special is 115.0% of the Total Annual Special Tax and equals \$1,080 per residential unit.

Goodwin Consulting Group

01/13/2004

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.:

DATE ADOPTED:

**EXHIBIT D**

**DEVELOPMENT FEE FINANCING CFD NO. 95-01  
ANNEXATION No. 2**

Eligible Development Fees that can be funded through DFF CFD No. 95-01:

- Construction Excise Tax (Major Street Construction Tax)
- Sewer Development Fee
- Water Development Fee
- Water and Sewer Tap Fee
- Sterling Fee (Schools)<sup>a</sup>
- Regional Sanitation Fee
- Sanitary Sewer Trunk Fee
- SMUD Fees.
- Quimby Park Fee
- Any other development fees that the City deems eligible.

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<sup>a</sup> 450 of the 519 lots in DFF CFD No. 95-01 Annexation No. 2 are within the Sacramento City Unified School District CFD No. 2 and therefore, are not subject to the Sterling Fee; the remaining 69 lots are not within CFD No. 2 and would be subject to the Sterling Fee.<sup>a</sup>

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

# RESOLUTION NO. 2004-\_\_\_\_

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON \_\_\_\_\_

## RESOLUTION AMENDING THE CITY OF SACRAMENTO DEVELOPMENT FEE FINANCING PROGRAM BY CHANGING THE MAXIMUM TERM OF BONDS FROM 10 YEARS TO 20 YEARS

### RECITALS:

- A. By Resolution No. 97-002, the City Council approved the "City of Sacramento Development Fee Financing Program for Commercial, Industrial, and Residential Development Projects."
- B. Under the program, the maximum term of any bonds issued to finance development fees directly related to public improvements is 10 years.
- C. The City Council finds that public convenience and necessity require that the maximum term of bonds be extended to 20 years.

### BASED ON THE FOREGOING RECITALS, THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

**Section 1.** The City Council finds and determines that the recitals set forth above are true.

**Section 2.** The City Council amends the "City of Sacramento Development Fee Financing Program for Commercial, Industrial, and Residential Development Projects," approved by Resolution No. 97-002, as follows:

- (a) The last sentence in the fourth paragraph of the Introduction on page 2 is amended to read as follows: "The bond debt is repaid by the landowner over a period of time not to exceed 20 years from the date of bond issuance."
- (b) The first sentence of paragraph 8 under How the Program Works on page 6 is amended to read as follows: "The bonds issued to finance the fees plus interest on the bonds are repaid by the landowner in annual installments over a period not to exceed 20 years."
- (c) The following sentence is added to item "b" under Terms and Conditions of Bonds on page 8: "The term of the bonds shall not exceed 20 years."

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### FOR CITY CLERK USE ONLY

RESOLUTION NO: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**Section 3.** Except as amended by section 2, the "City of Sacramento Development Fee Financing Program for Commercial, Industrial, and Residential Development Projects" approved by Resolution No. 97-002 remains in full effect.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_