



CITY COUNCIL AGENDA STATEMENT



July 23, 2019

File ID: 19-0344

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 14M (EASTERN URBAN CENTER/MILLENIA), AUTHORIZING THE RECORDING OF A NOTICE OF CESSATION OF SPECIAL TAX LIEN FOR CERTAIN PROPERTIES WITHIN SUCH COMMUNITY FACILITIES DISTRICT

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

In 2014, the City Council established Community Facilities District (CFD) No. 14M (Eastern Urban Center/Millenia) and authorized the levy of a special tax on parcels within the boundaries of the district. Subsequently, the City formed an overlay CFD (No. 14M-2) to cover detached condominium units not classified under the rate and method of apportionment for CFD No. 14M in order to be able to levy a special tax on such parcels (the "Overlay Parcels"). However, these parcels still remain within the boundaries of both CFD No. 14M and CFD No. 14M-2, and therefore, are subject to both special taxes. Recordation of a Notice of Cessation of Special Tax Lien for CFD No. 14M is required to give notice that the obligation of the Overlay Parcels to pay the special tax for CFD No. 14M has ceased and the lien imposed has been extinguished.

ENVIRONMENTAL REVIEW

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. In addition, notwithstanding the foregoing, the "Project" also qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

On January 7, 2014, the City Council passed Resolution No. 2014-0004, declaring its intention to establish CFD No. 14M and to authorize the levy of a special tax within each improvement area therein to finance the operation and maintenance of public landscaping, storm water quality, walls, fencing, trails, pedestrian

bridges, lighting, and park improvements and setting the public hearing to consider the establishment of the proposed district. On February 18, 2014, the City Council adopted Ordinance No. 3304 (Attachment 1), authorizing the levy of special taxes within the improvement areas of CFD No. 14M, pursuant to 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”) and the City of Chula Vista Community Facilities District Ordinance enacted pursuant to the powers reserved by the City of Chula Vista under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the “Ordinance”) (the Act and the Ordinance may be referred to collectively as the “Community Facilities District Law”).

Under the rate and method of apportionment for CFD No. 14M, there was no classification for detached condominium units. Therefore, on May 7, 2019, the City Council approved Resolution No. 2019-075 to form an overlay CFD (No. 14M-2) in order to levy a special tax on these condominium units. Subsequently, on May 21, 2019, the City Council adopted Ordinance No. 3456 (Attachment 2), authorizing the levy of a special tax in CFD 14M-2 for these Overlay Parcels.

In forming CFD No. 14M-2, the City Council intended that the Overlay Parcels be subject to the levy of the special taxes only for CFD No. 14M-2 and that the special taxes for CFD No. 14M shall cease to be levied on the Overlay Parcels. However, since the Overlay Parcels are located within the boundaries of both CFD No. 14M (Attachment 3) and CFD No. 14M-2 (Attachment 4), they continue to be obligated under both special tax districts. In adopting the subject Resolution, a Notice of Cessation of Special Tax for CFD No. 14M is authorized for recordation in the Office of the County Recorder of the County of San Diego so that special taxes for CFD No. 14M will cease to be levied on the Overlay Parcels.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov’t Code §87100, *et seq.*).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

All staff costs associated with the preparation of this report are included in the adopted budget. Approval of the resolution will authorize the recording of a notice of cessation of special tax lien for certain properties within CFD 14M.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact as a result of this action.

ATTACHMENTS

Attachment 1 – Ordinance No. 3304

Attachment 2 – Ordinance No. 3456
Attachment 3 – Boundary Map of CFD 14M
Attachment 4 – Boundary Map of CFD 14M-2

Staff Contact: Kimberly Vander Bie – Associate Planner