



CITY COUNCIL AGENDA STATEMENT



July 28, 2020

File ID: 20-0256

TITLE

RESOLUTION OF THE CITY OF CHULA VISTA DECLARING A SURPLUS IN THE IMPROVEMENT FUND (FUND 512), REDEMPTION FUND (FUND 811) AND RESERVE FUND (FUND 812) FOR THE CITY OF CHULA VISTA ASSESSMENT DISTRICT NO. 94-1 (EASTLAKE GREENS II)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

Assessment District No. 94-1 (Eastlake Greens II) was formed in the East area of Chula Vista to fund the improvements to and along South Greensview Drive, Hunte Parkway and Orange Avenue. This work was completed, payment of all principal and interest due on the Bonds has been satisfied and surplus funds exist. Since the surplus funds can be reimbursed to property owners and used for maintenance of the improvements within the Assessment District, the City's consultant recommends disposition of the surplus monies in the Assessment District Redemption and Reserve Funds to eligible property owners as provided for in Section 8784 and Section 8885 of the California Streets and Highways Code, as well as the use of surplus monies in the Assessment District Improvement fund for the maintenance of the improvements within the assessment District, pursuant to section 10427 (C) of the California Streets and Highways Code.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the activity consists of a governmental fiscal/administrative activity which does not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

The City Council has, by previous resolution and related actions, undertaken proceedings pursuant to the Municipal Improvement Act of 1913 to form and confirm an assessment known and designated as Assessment District No. 94-1 Eastlake Greens II (Attachment 1). Assessment District No. 94-1 was formed,

and Limited Obligation Improvement Bonds were issued pursuant to “The Improvement Bond Act of 1915”. Bonds were issued in order to fund the acquisition of public works, including streets, water, drainage and utility improvements together with appurtenances and appurtenant work (the project) to and along South Greensview Drive, Hunte Parkway and Orange Avenue, to fund a special reserve fund, to pay a portion of the interest due on the Bonds and to pay costs related to the issuance of the Bonds.

On September 2, 1997, there was an Improvement Fund bond call in the amount of \$2,325,000. On September 2, 2017, the City used Improvement Fund and Reserve Fund surpluses to fully pay off the Bonds. As of April 08, 2020, there remains surpluses of \$940,699.72 in the Reserve Fund (Fund 812), \$265,287.43 in the Redemption Fund (Fund 811) and \$2,677.53 in the Improvement Fund (Fund 512). The City retained Willdan Financial Services, a consultant firm with expertise in this area, to review and perform an assessment district closeout analysis and prepare an Assessment District Closeout Analysis and Findings Report (Closeout Report) for the Assessment District. The Closeout Report summarizes the recommendations for the disposition of the remaining funds in accordance with applicable laws (Attachment 2).

Consistent with the consultant’s recommendation, Council is being asked to authorize:

- The establishment of an Assessment and Disposition Fund in which to deposit the balances in the various City held funds for making refunds to the Assessment District 94-1 property owners and to pay closeout expenses;
- Transfer \$27,627.47 from the Assessment District Disposition Fund to the City General fund for payment of estimated closeout costs;
- Prepare refund checks totaling \$1,178,420.88 drawn on the Assessment District Disposition fund payable to each of the Assessment District’s eligible property owners. Willdan will provide a separate list to the City of the names, mailing addresses and outstanding delinquencies for the eligible property owners who should receive funds (City to retain the services of a third party for the issuance of refund checks to property owners);
- Transfer \$2,616.33 surplus from the Improvement Fund to a specific fund for future maintenance of the Assessment District 94-1 improvements as allowable under SHC Section 10427 (c).

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

There is no current Fiscal Impact associated with this council item. All staff time to be recovered through the assessment district from designated closeout expenses.

ONGOING FISCAL IMPACT

None.

ATTACHMENTS

1. Assessment District 94-1 boundary map.
2. Assessment District 94-1 Closeout Analysis and Findings Report.

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