

STAFF REPORT

City of Lancaster

CC 15
10/11/2022
JC

Date: October 11, 2022

To: Mayor Parris and City Council Members

From: Jeff Hogan, Senior Director - Development Services
Nicole Jones, Analyst

Subject: Proceedings to Form Proposed Community Facilities District No. 2021-1 (Public Services)

Recommendation:

Adopt **Resolution No. 22-54**, for intention to establish a community facilities district, proposed to be named City of Lancaster Community Facilities District No. 2021-1 (Public Services), and to authorize the levy of special taxes.

Fiscal Impact:

Initial annual special tax rates for the two CFDs are proposed as follows:

Public Services CFD

- Single Family Residential Property Outer Zone: \$901.00 per unit
- Single Family Residential Property Inner Zone: \$546.00 per unit
- Multi-Family Residential Property Outer Zone: \$631.00 per unit
- Multi-Family Residential Property Inner Zone: \$382.00 per unit

For each fiscal year, the maximum tax rates will be increased by an annual escalation factor. Long-term revenue projections will depend on the number, scale and progress of new developments that annex into the CFDs.

Background:

The City of Lancaster has identified the need to fund the continuing expansion of demand for Public Services (fire and police) of public facilities associated with new development and population growth in the City. In April of 2020, the City began talks with the Owner and a Special Tax Consultant to assist in the establishment of Community Facilities Districts (“CFD”) to levy a special tax to fund Public Services serving the new development. The City has received a petition from Hatzlacha Development LLC (the “Owner”), the owner and developer of APNs: 3153-005-024 (Parcel 1), 3153-005-025 (Parcel 2), 3153-005-078 (Parcel 3), and 3153-005-088 (Parcel 4)

(the “Property”), requesting the formation of the proposed CFDs, encompassing the Property, to finance:

- Parks and Recreation, Public Safety and Public Works (“CFD No. 2021-1 Public Services”).

ISSUES/ANALYSIS

Approval of the resolutions described above is the first step to establish the proposed Community Facilities District for the Property. The resolutions:

- approve the boundaries of the proposed Community Facilities Districts;
- specify the services to be financed;
- specify that special taxes will be levied on all parcels of taxable property in the proposed Community Facilities District to finance the services; and
- schedule public hearings regarding the formation of the Communities Facilities District.

Although the initial CFD No. 2021-1 will be established to serve property-owned and under development by Hatzlacha Development LLC, several projects are already conditioned, or are in the process of being conditioned, to annex into the CFD, once established.

The final steps for the formation of the proposed community facilities district will occur at the City Council’s meeting on December 13, 2022. The Mayor and the City Council will conduct a public hearing on such day and following the public hearing may adopt resolutions to form the proposed community facilities district, call a special election of the qualified voters to approve the levy of special taxes, conduct a special election, and declare election results.

NJ/jr

Attachments:

Resolution No. 22-54

Boundary Map - Lancaster CFD 2021-1 Public Services