CITY OF WILDOMAR
CC - REGULAR MEETING
CONSENT CALENDAR
Agenda Staff Report # 1.9
Meeting Date: November 9, 2022

SUBJECT: Establishment of Community Facilities District No. 2022-3 (Verano)

SUBMITTED BY: Emily Stadnik

PREPARED BY: Ninette Eva, Associate Engineer

ACTION:
Adopt the following Resolutions:

RESOLUTION NO. 2022 -___
RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2022-3 (VERANO) OF THE CITY OF WILDOMAR, TO AUTHORIZE THE LEVY OF A SPECIAL TAX TO PAY THE COSTS OF ACQUIRING OR CONSTRUCTING CERTAIN FACILITIES AND TO PAY DEBT SERVICE ON BONDED INDEBTEDNESS

And

RESOLUTION NO. 2022 - ___
RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF THE CITY OF WILDOMAR TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED $6,000,000 WITHIN PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2022-3 (VERANO) OF THE CITY OF WILDOMAR

BACKGROUND:
KB Home Coastal Inc., a California corporation (the “Developer”), owns 15.4 gross acres of property in the City which is proposed to be developed into 77 single family residential homes. Such property is generally located to the east of Monte Vista Drive and south of Summer Sage Way. The Developer has requested that the City form a community facilities district (“CFD No. 2022-3” or the “District”) to encompass such property in accordance with the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), to finance the costs of certain public improvements through the levy of a special tax and the issuance of bonds. The

maximum amount of bonded indebtedness proposed is $7,000,000.

The Developer has requested that the boundaries of CFD No. 2022-3 include the area described in Attachment A of the Resolution of Intention to Establish CFD No. 2022-3 presented at this meeting (the “Resolution of Intention”), and that special taxes be levied within the boundaries of the District in accordance with the Rate and Method of Apportionment (the “RMA”) described in Attachment C to the Resolution of Intention. The Resolution of Intention is the first step in the process of forming CFD No. 2022-3. The attached Resolutions declare the City’s intention to establish CFD No. 2022-3, its intention to incur bonded indebtedness by CFD No. 2022-3, and calls for a public hearing. A public hearing on the matter will take place on December 14, 2022, and at that time the Council will formally consider approval to form CFD No. 2022-3, and hold elections on the approval of the special taxes and the need to incur bonded indebtedness within CFD No. 2022-3.

FISCAL IMPACT:

The Developer has made a deposit to pay for the costs of the formation proceedings which may be reimbursed to the Developer in accordance with a reimbursement agreement with the Developer. If established and subject to necessary Council and voter approvals, CFD No. 2022-3 will annually levy special taxes on all of the taxable property within the District in accordance with the RMA (as attached to the Resolution of Intention). Such special taxes will be used to pay for the costs of facilities, debt service on bonds and administration of CFD No. 2022-3. Any bonds issued by CFD No. 2022-3 are not obligations of the City and will be secured solely by the special taxes levied within CFD No. 2022-3.

The RMA provides that the annual special tax rates will range from $4,195 for home sizes less than 1,500 square feet to $4,678 for home sizes greater than 1,900 square feet, which rates escalate at 2% per year.

ATTACHMENTS:

RESOLUTION OF INTENTION TO ESTABLISH WILDOMAR 2022-3 (VERANO).docx
RESOLUTION OF INTENTION TO INCUR DEBT WILDOMAR 2022-3 (VERANO).doc
LANDOWNER PETITION TO FORM WILDOMAR CFD 2022-3 (VERANO).doc
REIMBURSEMENT AGREEMENT WILDOMAR 2022-3.docx
CFD 2022-3 Project_Map v3.pdf