



City Council Staff Report

Subject: Intention to Establish Vista Oaks as a Future Annexation Area of Community Facilities District No. 5

Date: June 25, 2024

Submitted By: Megan Bressem, Management Analyst
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Department: Administrative Services - Finance

Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin of Intention to Establish Territory as a Future Annexation Area of Rocklin Community Facilities District No. 5 (Vista Oaks, APNs 046-010-007-000 and 046-020-003-000).

Background:

Vista Oaks, Assessor's Parcel Numbers 046-010-007-000 and 046-020-003-000, is a planned residential development property located along the northern terminus of Monument Springs Drive and western terminus of China Garden Road. The development of Vista Oaks is conditioned on, among other things, annexation into Community Facilities District (CFD) No. 5. CFD No. 5 finances the operation and maintenance of publicly owned parks, parkways, landscaping and street/parkway lighting.

Currently, the CFD No. 5 annexation process entails taking the item to two separate City Council meetings. At the first City Council meeting, a resolution of intention to annex territory into CFD No. 5 is presented and a public hearing date is scheduled. The resolution of intention includes the proposed CFD No. 5 tax rate and method of apportionment. At the second City Council meeting, the public hearing and special annexation election is held. If the ballots are favorable, the City Council then approves a resolution of annexation into CFD No. 5, setting the rates and granting authority to levy the district's tax on the newly annexed territory.

For CFD No. 5, City staff calculates the tax on the annexed property based on the projected costs of maintaining services (authorized by the CFD) as a result of a project's improvement plans. Once the property is annexed into CFD No. 5, changing the tax rate assigned to the property is a lengthy process and requires further approval by the landowner(s).

Vista Oaks will be developed in three phases. As only Phase 3 is currently being developed, City staff does not have enough information to determine the cost to the City of maintaining future services for the two remaining phases once they are developed. To ensure in the future

that the City receives the funding needed to provide the services required once development within CFD No. 5 has taken place, it is necessary to utilize a different approach to the annexation process.

California Government Code Article 3.5 of Chapter 2.5 of Part 1 of Division 2 of Title 5, Annexation of Territory, provides for a resolution to identify property proposed for future annexation into an existing CFD with the condition that parcels within that territory may be annexed with unanimous approval of the owner or owners of each parcel or parcels at the time the parcel or those parcels are annexed. This will allow the project (and therefore all three phases) to be approved to be designated as a future annexation area.

The territory to be designated as a future annexation area is two parcels of approximately 91 acres. The proposed future annexation map is included as Attachment 2 for reference. The phase designated for immediate development of Vista Oaks (Phase 3) can be annexed into CFD No. 5 right away with unanimous approval of the owner, which meets the condition to development of the project. The two remaining undeveloped phases (Phases 1 & 2) will be placed for future development that will require the owner of those phases to annex into CFD No. 5 prior to approval of maps or improvement plans for development.

The landowner has submitted a petition and waiver letter for CFD No. 5, which requests the annexation to occur and waives some of the procedural requirements for processing the establishment of the future annexation area. With the petitions and waivers, the City Council may adopt the resolution of intention (Attachment 1) at this meeting, and proceed with the public hearing and establish the territory as a future annexation area at its regular meeting on August 13, 2024.

Fiscal Impact:

There is no direct fiscal impact to the General Fund from the staff recommendation. Establishment of the future annexation area, and subsequently future annexations into CFD No. 5, would allow special taxes to be levied and collected to pay for services provided to the annexation territory.

ATTACHMENTS:

- [1. Resolution](#)
- [2. Annexation Map](#)