MEMORANDUM
COMMUNITY DEVELOPMENT RESOURCE AGENCY
PLANNING SERVICES DIVISION
County of Placer

TO: Honorable Board of Supervisors **DATE:** June 27, 2023

FROM: David W. Kwong, Community Development Resource Agency Director

BY: Michele Kingsbury, Deputy Director

SUBJECT: Intent to Annex Territory to Community Facilities District 2012-1 and to Levy a Special Tax to Pay for Certain Services (Annexation #22) – Supervisorial District 2

ACTIONS REQUESTED

1. Adopt a Resolution of intention to annex APNs 495-010-012-000 and 495-010-013-000 into CFD 2012-1 (Sunset Industrial Area Services) and scheduling a public hearing on the annexation of APNs 495-010-012-000 and 495-010-013-000 for August 8, 2023, at 9:00 a.m. or as soon thereafter as may be heard.
2. Determine the proposed action is consistent with the Sunset Area Plan/Placer Ranch Specific Plan Final Environmental Impact Report and, alternatively, is not a project pursuant to the California Environmental Quality Act Guidelines § 15378.

BACKGROUND

Placer County Fire (PCF) is a countywide system which provides fire prevention, fire suppression, and emergency medical response in the areas of Placer County not served by independent fire districts or cities. The PCF service areas are identified as Zones of Benefit within County Service Area (CSA) 28 or within Community Facilities Districts (CFDs) within unincorporated western Placer County. Placer County outsources fire service and emergency medical response staffing, administration, and dispatch services under the Cooperative Fire Protection Agreement with CAL FIRE.

The Placer County Board of Supervisors (Board) established CFD 2012-1 for the financing of the fire and emergency services within the Sunset Area by passage of Resolution 2012-260. Resolution 2012-260 incorporates the Rate and Method of Apportionment of Special Tax (Rate and Method) and designates the Future Annexation Area of CFD 2012-1 (Annexation Area). The Sunset Industrial Area Services Boundaries of Future Annexation Area of CFD No. 2012-1 was recorded on December 17, 2013 in the official records of Placer County (Doc 2013-011507-000).

The purpose of the formation of CFD 2012-1 is to have the ability to levy special taxes to fund fire and emergency services required within the Sunset Area. The primary use of CFD 2012-1 revenue is to support the operations of Station 77 located within the Sunset Area on Athens Avenue. CFD 2012-1 is intended to equitably spread costs of both fire protection and emergency medical services to new development within the Sunset Area via a special tax. Annexation of parcels within the Sunset Area is consistent with the recently updated Sunset Area Plan Policy PS-8-5, which also requires new development or redevelopment within the Sunset Area to annex into CFD 2012-1.

APPLICANT
Lands of RMCL, LLC is the owner of Assessor Parcel Numbers 495-010-012-000 and 495-010-013-000 (a +/- 1.69 acre vacant lot), which is proposed for annexation. The County is currently processing a design review application for the existing warehouse, which requires annexation into CFD 2012-1 to meet its condition of approvals (#23 & #27).

MELLO-ROOS ACT
Government Code Section 53311, the Mello-Roos Act of 1982, allows local government entities to form CFDs to fund maintenance of public facilities, including street lighting, landscaping, drainage, and other basic public infrastructure and services including fire and emergency services. CFDs are formed in such a way so that the parcels to be included within the district boundaries will benefit from the services to be provided. The law allows for annexation of properties into a district, so that a supplemental assessment known as the "special tax" is levied upon properties within the district and collected along with the regular tax bill. Formation of and/or annexation to a CFD requires a majority vote of residents within the district, or six registered voters, whichever is more, within the district. Once the annexation to the CFD is approved, a special tax lien is placed against each taxable property within the annexed territories on par with the original parcels included within the district. A mathematical formula is developed to calculate the annual special tax to be contributed by each property and is approved at the time the district is formed.

The CFD annexation process has the following key procedural steps:

- Approval of a Resolution of Intention (ROI) to initiate annexation of territory to the existing district
- Holding a public hearing and adoption of a Rate and Method of Apportionment which describes the proposed manner and method of apportioning the special tax.
- Adoption of a Resolution Calling Election annexing properties into the district; and
- Holding of a Special Election, which at this time is anticipated to include the one property owner within the territory to be annexed into the district which would assure a "2/3 approval" threshold.

The public hearing to be set for August 8, 2023, will call for the election, declare results of the election and consider approval of the annexation. Final adoption of the special tax ordinance, if approved, will occur at the August 22, 2023, Board hearing.

ENVIRONMENTAL IMPACT
On December 10, 2019, the Placer County Board of Supervisors adopted a resolution certifying the Sunset Area Plan / Placer Ranch Specific Plan Final Environmental Impact Report (SCH #2016112012) and Errata prepared pursuant to the California Environmental Quality Act (CEQA) and adopted the Mitigation Monitoring Reporting Program supported by and incorporating by reference in its entirety, the Findings of Fact and Statement of Overriding Considerations. The annexation of a property into the existing CFD is also an administrative action for funding, and therefore is not a project pursuant to CEQA Guidelines section and 15378.

FISCAL IMPACT
The current Rate and Method states that the maximum special tax that will be levied on developed property shall be the greater of (i) $0.10 per square foot or (ii) $956.07 per acre. The Rate and

Method further states that on each July 1st, the maximum special tax assessed will increase based on the local consumer price index for the San Francisco – Oakland – San Jose for All Urban Consumers and the CPI used shall be as determined by the Bureau of Labor Statistics from January to January.

This annexation into CFD 2012-1 meets Placer County's General Plan Goals and Policies and the recently updated Sunset Area Plan policies associated with the equitable apportionment of fire service costs within the Sunset Area and will allow for gradual reduction in the outside contributions to fire services within the Sunset area that support the operations of Station 77.

ATTACHMENT

Attachment A: Resolution
Exhibit 1 - List of Authorized Services
Exhibit 2 - Rate, Method of Apportionment of Special Taxes

ATTACHMENT A

Before the Board of Supervisors
County of Placer, State of California

In the matter of:
A RESOLUTION DECLARING INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT 2012-1 (SUNSET INDUSTRIAL AREA SERVICES), TO LEVY A SPECIAL TAX TO PAY FOR CERTAIN PUBLIC SERVICES AND TO CALL FOR A PUBLIC HEARING (ANNEXATION #22)

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer

at a regular meeting held on _____, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

_____
Chair, Board of Supervisors

Attest:

_____
Clerk of said Board

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the Board of Supervisors of the County of Placer on November 6, 2012, adopted a Resolution of Formation (Resolution No. 2012-260) for Community Facilities District 2012-1 Sunset Industrial Area Services ("CFD 2012-1" or the "CFD"): (i) establishing CFD 2012-1, (ii) establishing a future annexation area for the CFD (the "Future Annexation Area"), (iii) defining the public services (the "Services") within the Sunset Industrial Area to be financed by the CFD, and (iv) authorizing the levy of a special tax on property within the CFD; and

WHEREAS, discretionary land development projects in the Sunset Area, the boundaries of which are shown in Exhibit B to Resolution No. 2012-260 (on file with the Clerk of the Board), were designated for future annexation to CFD 2012-1; and

WHEREAS, Assessor Parcel Numbers 495-010-012-000 and 495-010-013-000, owned by Lands of RMCL, LLC, are within the future annexation area of CFD 2012-1, and the County has determined, because of the proposed development of certain property within the County, to initiate proceedings for the annexation of such property to CFD 2012-1 in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER as follows:

1. Establishment. Annexation of APNs 495-010-012-000 and 495-010-013-000 into CFD 2012-1 is proposed to be established under the terms of the Act.

2. Name. The name of the existing CFD for the proposed annexation is "Community Facilities District 2012-1 Sunset Industrial Area Services."

3. Description of Territory Included in Existing CFD 2012-1. The boundaries of the territory currently included in CFD 2012 are described in Resolution No. 2012-260 and recorded on December 17, 2013, in Book 3 of Community Facilities Districts at page 69, and any areas annexed into CFD 2012-1 since that date.

4. Description of Territory to be Annexed. The territory to be annexed is described in a map entitled "Annexation #22 Community Facilities District No. 2012-1 Sunset Industrial Services, Placer County, California" which is on file with the County Clerk. The County Clerk is hereby authorized and directed to endorse the certificates set forth on the map and to record the map in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

5. Specification of the Type of Services Provided. The services proposed to be provided in the territory proposed to be annexed to CFD 2012-1 are the same as those provided in the existing CFD 2012- and are described in Exhibit 1 attached hereto. The cost of providing Services includes "incidental expenses," which include costs associated with the creation of CFD 2012-1, determination of the amount of special taxes, collection or payment of special taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD 2012-1. The services authorized through Resolution 2012-260 to be financed by the CFD are in addition to those currently provided in the territory of the CFD 2012-1 and do not supplant services already available within that territory.

6. Plan for Providing Services. The services that are financed and provided from taxes collected in CFD 2012-1 will be used by occupants of the current CFD 2012-1 and occupants of the territory proposed to be annexed on the same basis.

7. Specification of Special Taxes to be Levied. Except where funds are otherwise available, a special tax sufficient to pay for all services to be provided in or for the territory to be annexed and secured by a continuing lien against all nonexempt real property in CFD 2012-1, will be annually levied within the territory proposed to be annexed to CFD 2012-1. The rate, method of apportionment, and manner of collection of such special tax are set forth in Exhibit 2 attached hereto (the "Special Tax"). For purposes of the Special Tax Formula, the territory proposed to be annexed to the CFD will be designated as Annexation No. 22.

8. No Alteration of the Special Tax Levied in the Existing Community Facilities District. The Board does not propose to alter the special tax rate levied within the existing CFD 2012-1 as a result of the proposed annexation.

9. Public Hearing. On **Tuesday, August 8, at 9:00 a.m.**, or as soon as possible thereafter, at the County Administrative Center, 175 Fulweiler Avenue, Auburn, California, the Board of Supervisors will conduct a public hearing on the annexation of territory to CFD 2012-1.

10. Notice of Hearing. The Board directs the County Clerk to publish a notice of the hearing, in substantially the form attached hereto as Exhibit 3, once at least seven days prior to the date fixed for the hearing, in a newspaper of general circulation published in the area of CFD 2012-1.

11. Effective Date. This Resolution shall take effect immediately upon its passage.

EXHIBITS
Exhibit 1 – List of Authorized Services
Exhibit 2 – Rate, Method of Apportionment of Special Taxes

Exhibit 1

List of Authorized Services

COUNTY OF PLACER
COMMUNITY FACILITIES DISTRICT NO. 2012-1
(SUNSET INDUSTRIAL AREA SERVICES)

DESCRIPTION OF SERVICES TO BE FINANCED BY THE CFD

The County of Placer Community Facilities District No. 2012-1 (Sunset Industrial Area Services) (the "CFD") will provide revenues, in whole or in part, the following services, which benefit the parcels within the CFD, and which generally include the following:

I. Authorized Services

Fire protection and emergency medical services within the Sunset Industrial Area of Placer County.

Exhibit 2

COUNTY OF PLACER
COMMUNITY FACILITIES DISTRICT NO. 2012-1
(SUNSET INDUSTRIAL AREA SERVICES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the County of Placer Community Facilities District No. 2012-1 (Sunset Industrial Area Services) shall be levied and collected according to the tax liability determined by the County of Placer or its designee, through the application of this Rate and Method of Apportionment of Special Tax. All of the property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless otherwise provided for the annexed property.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the expenses of the County in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, costs related to annexing property into the CFD, and all other costs and expenses of the County in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the County to administer the Special Tax according to the Rate and Method.

"Assessor's Parcel" or "Parcel" means a lot or parcel with an assigned County Assessor's Parcel number shown on a County Assessor's Parcel map.

"Authorized Services" means the public services authorized to be financed, in whole or in part, by the Special Taxes in the CFD.

"CFD" or **"CFD No. 2012-1"** means the County of Placer Community Facilities District No. 2012-1 (Sunset Industrial Area Services).

"County" means the County of Placer.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"**Maximum Special Tax**" means the greatest amount of Special Tax that can be levied in any Fiscal Year according to this Rate and Method.

"Public Property" means any Parcel of Taxable Property that is owned by or irrevocably offered for dedication to the federal government, State of California, County, or other local governments or public agencies.

"Rate and Method" means this Rate and Method of Apportionment of Special Tax.

"Special Tax" means any tax levied in any Fiscal Year pursuant to the Rate and Method to pay the Special Tax Requirement.

"Special Tax Requirement" means the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services; (ii) Administrative Expenses; and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the Special Tax will be collected.

"Square Footage," or **"Square Foot"** means the floor area square footage reflected on the original building permit issued for construction of a building and any square footage subsequently added to a building after issuance of a permit for expansion or renovation.

"Taxable Property" means, in any Fiscal Year, all Assessor's Parcels: (i) which are not exempt from the Special Tax pursuant to law or Section E below, and (ii) for which a certificate of occupancy for new construction or expansion of a vertical structure was issued by the County prior to June 30 of the preceding Fiscal Year. In the absence of a certificate of occupancy, any Parcel that is not exempt from the Special Tax shall be classified as Taxable Property if a structure on the Parcel has been occupied prior to June 30 of the preceding Fiscal Year.

B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel number for all Parcels of Taxable Property in the CFD. The Administrator shall also determine the Acreage of each Parcel and the amount of Square Footage built on each Parcel and the Special Tax Requirement for the then current Fiscal Year.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in the CFD was recorded after the last date upon which the Assessor will incorporate the newly-created Parcels into the then current tax roll, and (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each Parcel of Taxable Property, then applying the sum of the individual Special Taxes to the original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax for Fiscal Year 2012-13 for all Parcels of Taxable Property within CFD No. 2012-1 shall be the greater of (i) $0.08 per Square Foot or (ii) $757.00 per Acre. After a Parcel is classified as Taxable Property, if, in any future Fiscal Year, the amount of Square Footage on the Parcel is increased, the Administrator shall determine the Maximum Special Tax by applying the greater of (i) or (ii) based on the increased Square Footage.

On July 1, 2013, and on each July 1 thereafter, the Maximum Special Tax shall be escalated by the increase, if any, in the Local Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose Area for All Urban Consumers. The CPI used shall be as determined by the Bureau of Labor Statistics from January to January beginning with the period from January 2012 to January 2013.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and the Special Tax shall be levied proportionately on each Parcel of Taxable Property up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year until the amount levied is equal to the Special Tax Requirement.

The Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the County may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner, and may collect delinquent Special Taxes through other available methods.

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method, no Special Tax shall be levied on Parcels of Public Property for which a separate agreement or contract has been entered into with the County to pay the costs of Authorized Services.

F. INTERPRETATION

The County may interpret, clarify, and revise this Rate and Method to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, that does not create a material adverse effect on the levy and collection of the Special Taxes.