

TOWN COUNCIL STAFF REPORT

Title: Adopt the resolution declaring the Council's intention to annex territories into the Town of Mammoth Lakes Community Facilities District No. 2013-3 (Transit Services) pursuant to the Mello-Roos Communities Facilities Act of 1982, levying a special tax in

Meeting Date: August 18, 2021

Prepared by: Amy Callanan, PE, Associate Engineer

RECOMMENDATION:

Staff recommends that Town Council adopt the resolution declaring the Council's intention to annex territories into the Community Facilities District No. 2013-3 (Transit CFD) pursuant to the Mello-Roos Community Facilities Act of 1982, levying a special tax in connection therewith, and setting the time and place for the public hearing on October 6, 2021.

BACKGROUND:

In 2014, the Town developed the Community Facilities District (CFD) 2013-3 (Transit Services) for subdivisions in the Resort Zone that allow transient occupancies. The imposition of such a tax at an appropriate rate would satisfy the fiscal impact requirements of the Town's mitigation requirements for the 2007 General Plan Environmental Impact Report and the IntraWest Development Agreement to which the parcels are subject. The Town Council adopted Goals and Policies for Community Facilities District at the March 6, 2013 meeting. The Notice of Intent was adopted by Town Council Resolution No. 14-147 on April 2, 2014.

A property is not subject to the tax until it becomes a "qualified residential property" (a property for which a certificate of occupancy has been issued for purposes of a residential dwelling unit that allows for transient use.) As of June 2020, there were 86 parcels within the District that have received their certificate of occupancy. The developments or properties with occupancy permits are located within Obsidian Residence Club, Altis, Hillside, Mountainside, Gray Stone, Gray Bear I, Gray Bear II, Gray Bear III, 125 Lakeview, and 540 Old Mammoth Road.

The Town has received a petition from a developer requesting the Town Council undertake and complete proceedings to annex the Developer's "Hillside Highlands" properties (consisting of 3 individual parcels within the North Village Specific Plan which allow transient occupancies) into the District as shown on Exhibit A. The petition requests the Town finance services and improvements with a special tax levied against properties included in the District.

ANALYSIS:

Adoption of this “Resolution of Intention” is a legally required step for the annexation of properties into the District.

If the Council approves the Resolution of Intention attached hereto, the Council will then hold a public hearing on October 6, 2021 annexing the properties. Because it has received a petition, the Council is legally required to adopt a Resolution of Intention and to hold a public hearing at the date set by the Resolution of Intention. The Council must adopt a Resolution of Intention within 90 days of its receipt of the Developer’s petition. After holding the hearing, the Council may decide whether or not it desires to adopt a resolution annexing property into the Community Facilities District.

FINANCIAL CONSIDERATIONS:

Properties included in the Community Facilities District are required to pay a special tax.

The Transit Services CFD No. 2013-3 tax rate for each qualified property for the 2020/21 fiscal year was \$180.43 per dwelling unit or transient rental room. The total special tax requirement for the district was \$15,516.98. Annexation of the three properties included in this resolution would add nine qualified units subject to levy of future taxes.

This tax revenue is added to and does not replace other transit fees and Local, State, and Federal revenue the Town uses for Transit Services in the Town for guests and residents.

STAFFING CONSIDERATIONS:

Staffing for support of this CFD is included in the work program for Public Works Engineering and Finance Departments.

ENVIRONMENTAL CONSIDERATIONS:

The annual resolution for special taxing districts as a mechanism for funding maintenance is Categorically Exempt per section 15060(c)(3) of the California Environmental Quality Act.

LEGAL CONSIDERATIONS:

None identified at this time.

ATTACHMENTS:

- Resolution No. 21-____
- Exhibit A: Annexation No. 4 Boundary Map
- Exhibit B: Notice of Public Hearing
- Exhibit C: Annexation Petition