

TOWN COUNCIL STAFF REPORT

Title: Public Hearing and Adoption of Resolutions to Form Community Facilities District No 2021-1 (Juniper Ridge Maintenance Services) and Calling a Special Election.

Meeting Date: November 17, 2021

Prepared by: Sierra Shultz, Assistant Engineer

RECOMMENDATION:

Staff recommends that Town Council conduct the Public Hearing and after receiving public testimony and deliberation, consider and adopt the Resolution to Form Community Facilities District No. 2021-1 (Juniper Ridge Maintenance District) and Resolution Calling a Special Election.

BACKGROUND:

The residents of the Juniper Ridge neighborhood are assessed an annual levy to maintain a lighting and landscaping assessment district that was formed in 1993. The funding collected for the Juniper Ridge Assessment District 93-1 provides for improvements along Juniper Road and Juniper Court. The district provides snow removal and storage, landscaping maintenance, lighting maintenance, Juniper tree preservation, maintenance of ski easements and maintenance of ornamental structures. Each year staff and Town consultants examine the budget for the district. This regular evaluation shows that the district has run low on reserves in recent years. The district does not have an annual inflator and has levied the same amount since 1993. Without increases the district has not been able to keep up with inflation or rising material and labor costs. A shortage in funds could result in the termination of services such as landscaping improvements and snow removal. A new district needs to be formed to secure the appropriate funding to ensure the required services are never left unfunded.

At the Town Council meeting on October 6, 2021, Resolution No. 21-80 was adopted which declared the Town's intention to establish a Community Facilities District and authorize the levy of special taxes for Community Facilities District No. 2021-1 (Juniper Ridge Maintenance Services). A public hearing was also set for November 17, 2021 at the October 6, 2021 meeting. Resolution No. 21-80 included descriptions of the proposed district boundaries, the services to be financed, and the rate and method of apportionment of special tax, which is consistent with the information included in the attached Engineer's Report.

ANALYSIS:

Staff is recommending that a new Community Facilities District (CFD) be formed in order to meet the future needs of the neighborhood. The proposed district will provide a similar scope of service for the revised levy. The levy is based on present value costs and includes

a cost escalation factor to account for inflation. This will resolve the potential for ending up in a similar situation where the district cannot afford the maintenance.

The current district has a maximum assessment of \$1,200 per unit. As mentioned in the attached Rate and Method of Apportionment, the proposed assessment is \$2,250.00 per unit starting in Fiscal Year 2022/23. An annual cost escalation factor of no more than 3.0% per year will be applied beginning in Fiscal Year 2023/24 to increase the maximum allowable assessment each year. The maximum allowable assessment will only be charged if it is justified in the annual engineer's report. It is important to include the cost escalation factor to account for inflation when it is needed.

The formation process requires the following Town Council meetings:

- Intent Meeting (October 6, 2021): Consider Resolution of Intention, including boundary map and rate and method of apportionment (RMA), and setting the date of the public hearing.
- Public Hearing (November 17, 2021): Allow for any public comments either oral or written. Town Council determines whether there has been a majority protest or not and then considers the Resolution of Formation and Resolution Calling a Special Election. The public hearing must be held within 30-60 days after the Intent Meeting.
- Election (March 2, 2022): Town Council considers the Resolution Declaring the Results of the Election and the first reading of the ordinance levying the special tax. The election must take place within 90-180 days after the Resolution of Formation is approved.
- Ordinance Meeting: Second reading of ordinance levying the special tax.

The election process necessitates sending ballots to landowners for their vote. The ballots will be weighted by acreage. Each landowner will have one vote for each acre, or portion thereof, that the landowner owns within the proposed CFD that would be subject to the proposed tax if it were levied at the time of the election. All of the parcels will receive one vote since they are all under one acre in size. Of the ballots cast, 2/3rds of the votes must be in favor of the CFD in order to proceed. If the proposed district is formed the existing district will be discontinued. If the proposed district is not formed, the existing district will remain in place.

FINANCIAL CONSIDERATIONS:

Attached is the Engineer's Report which includes the cost estimate for the authorized services. The cost estimate includes a line item for a Town contribution which is based on gas tax reimbursements and is subject to change based on the annual snow removal costs.

ENVIRONMENTAL CONSIDERATIONS:

California Environmental Quality Act (CEQA) will be addressed on a case-by-case basis when required for specific improvement projects. Maintenance of existing facilities or landscaping is generally exempt under CEQA law. There are no environmental considerations at this time.