

TOWN OF MAMMOTH LAKES

Report for:

**Community Facilities District No. 2023-1
(Maintenance Services)**

Special Tax Report

April 2023

Prepared by NBS for and on behalf of the Town of Mammoth Lakes

Prepared by:



TABLE OF CONTENTS

INTRODUCTION	1
DISTRICT INFORMATION	2
Background.....	2
Proposed Land Use.....	2
District Description	2
DESCRIPTION OF SERVICES.....	3
COST ESTIMATE	4
Initial Maximum Amount Proposed to be Expended.....	4
Anticipated Fiscal Year 2022/23 Maximum Special Tax Revenue	4
Annual Maximum Special Tax Escalation	5
RATE AND METHOD OF APPORTIONMENT	6
Term of Special Tax	6
Manner of Collection.....	6
APPENDIX A: BOUNDARY MAP	7
APPENDIX B: RATE AND METHOD OF APPORTIONMENT.....	8

INTRODUCTION

The Town Council (the “Town Council”) of the Town of Mammoth Lakes (the “Town”) did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the “Act”), on February 15, 2023, adopted Resolution No. 23-09 entitled “A Resolution of the Town Council of the Town of Mammoth Lakes, State of California, Declaring Its Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein” (the “Resolution of Intention”). In the Resolution of Intention, the Town Council directed the study and filing of a public hearing report (the “Report”) required by Section 53321.5 of the Act for the proposed Town of Mammoth Lakes Community Facilities District No. 2023-1 (Maintenance Services) (the “District”).

Section 53321.5 of the Act provides that the Report contain the following:

1. A brief description of the public facilities or services to be provided by the District; and
2. An estimate of the fair and reasonable cost of providing the public facilities or services, including the incidental expenses in connection therewith, any Town administration costs, and all other related costs.

For particulars, reference is made to the Resolution of Intention for the District, as previously adopted on February 15, 2023, by the Town Council.

NOW, THEREFORE, the Director of Public Works of the Town, the appointed responsible officer directed to prepare the Report or cause the Report to be prepared pursuant to the provisions of the Act, does hereby submit this Report containing the following information:

- **DISTRICT INFORMATION.** Information related to the District, including background information, land use plans, and the proposed boundaries that include those properties and parcels on which special taxes may be levied to pay for the costs and expenses of the facilities or services.
- **DESCRIPTION OF FACILITIES OR SERVICES.** A description of the facilities or services that the Town Council has determined to be eligible to be funded by the District.
- **COST ESTIMATE.** The initial maximum cost estimate for the District facilities or services and the anticipated initial maximum special tax revenue.
- **RATE AND METHOD OF APPORTIONMENT.** The Rate and Method of Apportionment of Special Tax which was included in the Resolution of Intention and approved by this Town Council on February 15, 2023.

DISTRICT INFORMATION

Background

The District is generally located at Canyon Boulevard and Lake Mary Road, and Forest Trail and Berner Street. The District includes five properties covering approximately 9.21 acres.

Proposed Land Use

At build out, there is anticipated to be 116 Condominium Units and 149 Hotel Units within the District.

District Description

The proposed boundaries of the District are those parcels in which special taxes may be levied and collected to pay for the costs and expenses of the District services. The proposed boundaries of the District are identified on the map of the District recorded on March 8, 2023, in Book 2 at Page 89 of Maps of Assessment and Community Facilities Districts as Document No. 2023000470 in the office of the County Recorder for the County of Mono. The District map is on file with the Town Clerk, to which reference is hereby made and a reduced copy of such map is set forth in Appendix A of this Report.

DESCRIPTION OF SERVICES

It is intended that the District will be eligible to fund all or a portion of the direct and incidental costs of plowing and removal of snow, and maintenance of curbs/sidewalks, landscapes and streetlights and related appurtenances, within or adjacent to the District.

The District may fund any of the following related to the maintenance of the services described in the preceding paragraph: obtaining, constructing, reconstructing, furnishing, and operating and maintaining equipment, apparatuses or facilities related to providing the services; equipment, apparatuses, facilities, or fixtures in areas to be maintained; paying the salaries and benefits of personnel necessary or convenient to provide the services; payment of insurance costs and other related expenses; and the provision of reserves for repairs, replacements, and for the future provision of services. It is expected that the services will be provided by the Town, either with its own employees or by contract with third parties, or any combination thereof. The District may also fund administrative fees of the Town related to the District.

The services to be financed by the District are in addition to those provided in the territory of the District before the date of creation of the District and will not supplant services already available within that territory when the District is created.

COST ESTIMATE

Initial Maximum Amount Proposed to be Expended

The annual budget presented below represents the initial maximum costs for providing the District services as well as the estimated costs for Fiscal Year 2022/23.

District Costs	2022/23 Maximum Budget Amount	2022/23 Estimated Budget Amount
Annual Maintenance Costs	\$25,650.40	\$25,650.40
Administrative Costs	5,000.00	5,000.00
CIP Accumulation	42,285.12	42,285.12
Totals:	\$72,935.52	\$72,935.52

Anticipated Fiscal Year 2022/23 Maximum Special Tax Revenue

The initial maximum annual special tax rates are set forth in the Rate and Method of Apportionment for the District. Based upon expected development, the initial maximum annual special tax revenue is as follows:

**MAXIMUM SPECIAL TAX RATES
TAX ZONE NO. 1
FISCAL YEAR 2022/23**

Land Use Category	Maximum Special Tax Rate	Per	Special Tax Revenue
Condominium – 1 Bedroom/Studio	\$262.22	Unit	\$26,484.22
Condominium – 2 Bedroom	349.63	Unit	1,398.52
Condominium – 3 Bedroom	437.04	Unit	1,748.16
Condominium – 4 Bedroom	546.30	Unit	2,185.20
Condominium – 5 Bedroom	682.88	Unit	2,048.64
Commercial Property	0.00	BSF	0.00
Apartment Property	0.00	Unit	0.00
Hotel Property	262.22	Unit	39,070.78
Single-Family Residential Detached Property	0.00	Unit	0.00
Accessory Dwelling Unit	See below		
Total:			\$72,935.52

The Maximum Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Maximum Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if

a primary Unit in Land Use Category Condominium Property – 3 Bedrooms with 2,000 BSF has an ADU of 800 BSF, the Maximum Special Tax for the ADU shall be calculated by the following steps:

1. $800 \text{ BSF} / 2,000 \text{ BSF} = 0.40$ or 40%
2. $\$437.04 \text{ Maximum Special Tax per Unit} \times 40\% = \$174.81 \text{ Maximum Special Tax for such ADU}$

Annual Maximum Special Tax Escalation

On July 1 of each Fiscal Year, commencing on July 1, 2023, the Maximum Special Tax rates for Tax Zone No. 1 shall be increased by amounts equal to two percent (2%) of the Maximum Special Tax rates amount in effect for the previous Fiscal Year.

Different Maximum Special Tax rates and tax escalation factors may be identified in Tax Zones added to the District as a result of future annexations.

RATE AND METHOD OF APPORTIONMENT

All of the property located within the District, unless exempted by law or by the Rate and Method of Apportionment, shall be taxed for the purpose of providing the necessary facilities for the District. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the cost of making facilities available to each parcel, or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Appendix B, the Rate and Method of Apportionment provides information sufficient to allow each property owner to estimate the maximum special tax that he or she will be required to pay.

Term of Special Tax

The District's special tax shall be levied commencing in Fiscal Year 2022/23 to the extent necessary to fully satisfy the annual special tax requirement and shall be levied until such time the Town determines that revenues are no longer needed to pay the annual special tax requirement.

Manner of Collection

The annual special tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the District, may directly bill the special tax, and may collect special taxes at a different time or in a different manner as necessary to meet its financial obligations.

APPENDIX A: BOUNDARY MAP

The boundary map for the District is shown on the following page. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the County Assessor, at the time this Report was prepared, and are incorporated by reference herein and made part of this Report.

APPENDIX B: RATE AND METHOD OF APPORTIONMENT

The following pages provide a copy of the District's Rate and Method of Apportionment approved by the Town Council on February 15, 2023, via Resolution No. 23-09.