



**Contra
Costa
County**

To: Board of Supervisors
From: Brian M. Balbas, Public Works Director/Chief Engineer
Date: May 24, 2022

Subject: Community Facilities District No. 2022-1 (Contra Costa Centre Area - Park Maintenance)

RECOMMENDATION(S):

ADOPT Resolution No. 2022/173 a Resolution of Intention to establish a Mello-Roos Community Facilities District for Park Maintenance Services in the Contra Costa Centre Area and fix a public hearing for July 12, 2022 at 9:00 a.m., as recommended by the Public Works Director (District IV)

FISCAL IMPACT:

Consultant and County costs required to establish the Community Facilities District are paid by the involved developer, and all costs of administering the District would be covered by the voter approved special tax.

BACKGROUND:

Mello-Roos Community Facilities Districts are a mechanism to finance public infrastructure and municipal services for approved development projects. A voter approved special tax may be used to pay for eligible services, or to pay debt service on tax-exempt bonds issued by the District to finance public improvements.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **05/24/2022** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: May 24, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Jocelyn LaRocque (925)
313-2315

By: June McHuen, Deputy

BACKGROUND: (CONT'D)

The Hanover Company ("Developer") has secured County land use approvals to develop an apartment project in the unincorporated Contra Costa Centre Area (county files GP18-0002, RZ18-3245, MS19-0010, DP18-3031). The approved project is a 6-story, 284-unit apartment project on an approximate 2.4-acre parcel at 3050 Del Hombre Lane, Walnut Creek. The project was approved by the Board of Supervisors on August 11, 2020.

A Condition of Approval #76 for the project includes an obligation of the Developer to work with the County to form a Community Facilities District ("CFD") to provide annual revenue for the maintenance of parks and trails in the Contra Costa Centre Area, particularly the linear park known as Walden Green and other park facilities. The recommended action is the first step in establishing a CFD that would provide for the levy of a special tax each year to be paid by the owner of the apartment project following the occupancy of the apartments, the proceeds of which are to be used for park maintenance services. The tax for services would initially be set at a rate of \$143.33/residential unit, be indexed for inflation, and be permanent. It has been determined that the best vehicle for generating the service tax is through a Mello-Roos Community Facilities District proceeding. Expenditures to be covered by the special tax may include payment of staff expenses (including salary, benefits, and overhead), and expenses related to the administration and collection of the special tax. The proposed CFD, which is recommended to be named Community Facilities District No. 2022-1 (Contra Costa Centre Area-Park Maintenance) ("CFD No. 2022-1"), will allow for the annexation of additional properties if desired by the property owner(s). The proposed boundary of CFD No. 2022-1, and a proposed annexation area for CFD No. 2022-1 is depicted on Attachment A.

The County has an adopted Debt Management Policy (adopted December 7, 2006 and last amended on March 22, 2022) which incorporates Financing Policies for CFD's. Certain limited provisions of the Financing Policies are proposed to be waived by adoption of the recommended Resolution of Intention. The waiver relates to a preference of no escalating special tax on residential property. The Del Hombre Apartments is a residential rental development. The party voting in the proposed CFD proceeding, the owner of the apartment facility, will be the party paying the special tax. The Developer is aware of the escalation of the special tax over time. The Financing Policies also require that a proponent of a CFD complete an application and submit it to the Department of Conservation and Development to start the CFD formation process. The Resolution of Intention waives that requirement as this CFD is required by the Conditions of Approval for the project.

The County Debt Management Policy also provides for a review of the proposed CFD No. 2022-1 by the Debt Affordability Advisory Committee prior to the Board considering a Resolution of Intention. The Committee is comprised of the County

Auditor-Controller, the County Treasurer Tax-Collector, the County Finance Director, and the Director of Conservation and Development. The Advisory Committee has reviewed the structure of the proposed special tax and has recommended its approval on May 9, 2022.

The recommended actions respond to a petition from the property developer (copy attached as Attachment B), and conform to the requirements of the Mello-Roos Community Facilities Act of 1982, as amended (Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311 of the California Government Code.

It is anticipated that a Resolution of Formation and other legislative actions related to establishing the CFD No. 2022-1 will be considered by the Board of Supervisors at its meeting on July 12, 2022.

CONSEQUENCE OF NEGATIVE ACTION:

Not approving the recommended action would result in the developer of the Del Hombre Apartments not fully complying with Conditions of Approval imposed by the County.

ATTACHMENTS

Resolution No. 2022/173

Attachment A - The Proposed Boundary of CFD 2022-1 and a Proposed Annexation Area for CFD 2022-1.

Attachment B- Petition

Exhibit A - Description of Services Eligible to be Funded by the CFD

Exhibit B - Rate and Method of Apportionment of Special Tax

Exhibit C - Notice of Public Hearing