

TO: JAMES L. APP, CITY MANAGER  
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR  
SUBJECT: ANNEXATION FEE FOR COMMUNITY FACILITIES DISTRICT  
DATE: APRIL 5, 2005

Needs: For the City Council to consider adopting the attached Resolution establishing a fee for annexation to the City's Community Facilities District.

Facts:

1. Consistent with the General Plan policies on fiscal neutrality, the City Council is establishing a Community Facilities District (CFD) to pay for the incremental costs of providing services to certain new residential development.
2. On February 15, 2005 the City Council adopted a Resolution of Intention to hold a public hearing to consider formation of a services-related CFD on April 5, 2005.
3. In order to defray the City's administrative costs to annex properties to a CFD, it is proposed that the City Council adopt a Resolution establishing a processing fee.
4. At the March 15, 2005 meeting, the City Council requested documentation of the cost of properties being annexed to the CFD. Attached is a packet describing the procedures necessary to annex a property to the City's CFD for services. Also attached is a summary of the annexation costs prepared by David Taussig & Associates

Analysis  
and

Conclusion: As the attached packet and list of projected costs indicates, the City would incur expenses whenever a property is proposed for annexation to the City's CFD. Based on the information provided, one could reasonably expect that a minimum typical annexation to the CFD would cost between \$1300 and \$1800.

Adoption of a processing fee for annexation to the City's CFD would be consistent with the City policy of fiscal neutrality.

At the March 15, 2005 Council meeting concerns were expressed regarding the possible variance between the actual cost of processing annexations to the CFD versus a fixed fee as was suggested in the staff report.

In order to address that concern, an alternative approach would be to utilize the amounts recommended by David Taussig as a “deposit” against which the City would charge its actual time and materials costs. Utilizing this approach would help insure that the variable nature of each individual situation would be accounted for on an actual basis.

The proposed administrative costs address the direct costs of annexing to the district but do not reflect recovery of the City’s costs of establishing the CFD.

Policy

Reference: General Plan; prior Council actions regarding formation of a CFD

Fiscal

Impact: As proposed, none; without a fee, the City would be subsidizing the process of properties being annexed to the CFD.

Options:

- a. Adopt Resolution No. 05-xx establishing a deposit for CFD processing fee. The City would charge actual time and materials costs against the deposit (similar to other development related applications). The charge against the deposit would be based on the current Council adopted hourly rate plus actual fixed costs incurred (including printing, digitizing, and recordation expenses).
- b. Amend, modify or reject the foregoing option.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
ESTABLISHING AND ADOPTING A SCHEDULE OF FEES  
FOR ANNEXATION TO A COMMUNITY FACILITIES DISTRICT

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WHEREAS, the General Plan of the City of Paso Robles focuses on the need for new residential development to be fiscally neutral with regard to impacts on City services and facilities and it is the policy of the City of Paso Robles to require new development to "pay its own way," avoiding the placement of a financial burden on the population in general when new residential development occurs; and

WHEREAS, the City Council has taken steps to establish a Community Facilities District as a step toward insuring that the costs of providing services to new residential development are paid for by the new residents; and

WHEREAS, the process of annexing properties to the proposed Community Facilities District will impose a financial burden on the City unless the City establishes an appropriate processing fee; and

WHEREAS, the City's consultant on formation of the Community Facilities District for City Services, David Taussig & Associates, has outlined the steps involved and estimated average minimum one-time processing costs.

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED by the City Council of the City of Paso Robles that:

1. The City shall collect processing fees for new residential developments that are to be annexed to the City's Community Facilities District for City services and such fees shall be paid prior to approval of a final subdivision map or issuance of a Building Permit for projects that do not have a subdivision map.
2. The amount of the one-time processing fee for each project proposed for annexation to the Community Facilities District shall be based on the City's actual cost, considering the current adopted hourly rate for staff time and actual expenses. A deposit shall be given to City in the amount of \$350 for the first lot or dwelling unit for each project being annexed, and \$150 for every additional lot or dwelling unit in such project thereafter. In the event the actual processing fees exceed the amount deposited, the property owner(s) shall be required to deposit the additional amount, in accordance with normal City procedures. . In the event the actual processing fees are less than the amount deposited, City shall refund the excess amount.
3. The City Council shall review periodically the processing fee for annexation to a Community Facilities District in conjunction with updating the City's Fiscal Impact Analysis Model and periodic review of the per dwelling unit amount to be charged within the Community Facilities District.

PASSED AND ADOPTED THIS 5th day of April, 2005 by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

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Frank R. Mecham, Mayor

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Sharilyn M. Ryan, Deputy City Clerk

## PROCEDURE FOR ANNEXATION TO COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES)

CHECK OFF AS COMPLETED	COMPLETION DATE	ACTION	TO BE COMPLETED OF PROVIDED BY
	Prior to going to Council with Resolution to Approve Boundary Map and Annex Territory	Annexation fee paid	Developer / Owner / Applicant
		Consent & Election form received	Property Owner
		Certify signatures on Consent and Election forms	City Clerk
		Prepare Boundary Maps	Developer, Engineering Staff or DTA
		Place annexation on Council agenda, prepare Staff Report and resolutions	City Community Development Department/ City Attorney
	Day 1 - City Council Meeting	Resolution to Annex to City Council with Rate and Method of Apportionment of Special Tax	City Council
	Day 15	Amended Boundary map recorded within 15 days of Resolution to Annex	City Staff
	Day 15	Amendment of Notice of Special Tax Lien filed with County Recorder within 15 days of Resolution to Annex	City Staff

## ANNEXATION OF PROPERTIES TO PARTICIPATE IN CFD No. 2005-1 (PUBLIC SERVICES)

**1. Make sure annexation fee has been paid**

Land Use	Annexation Fee
Subdivision	\$350/ 1 <sup>st</sup> Lot \$150/each additional Lot

**2. Consent and Election form to be submitted and reviewed**

- \_\_\_\_\_ Proof of ownership
- \_\_\_\_\_ Proof of authorization to sign
- \_\_\_\_\_ Notary attached
- \_\_\_\_\_ Exhibit A to be completed (either by staff or by owner)

**3. City Clerk to certify signatures - See Certification of City Clerk**

**4. Amended Boundary Map to be prepared**

Make sure it is readable, no unnecessary information is included, and that it is in good condition so that the county recorder will record it.

- \_\_\_\_\_ One original - 24x36 vellum/mylar
- \_\_\_\_\_ One blueline copy - 24x36
- \_\_\_\_\_ 8 1/2 x 11 copy

**5. Place item on Council Agenda**

Resolution \_\_\_\_\_, CFD No. 2005-1, Annexation \_\_\_\_\_ - Consider annexing properties to Community Facilities District (Public Services)

**6. Prepare Staff Report - see sample**

**7. Prepare Resolution - see sample**

\_\_\_\_\_ Include copy of boundary map - 8 1/2 x 11

**8. Within 15 days after Council meeting, Amended CFD Boundary Map to be recorded**

\_\_\_\_\_ Have City Clerk sign original and copy (24x36)  
\_\_\_\_\_ Must be recorded within 15 days of Council meeting - It's a good idea to go before the last minute in case any changes need to be made per the recorder's office.

**9. Within 15 days after Council meeting, Amendment to Notice of Special Tax Lien to be recorded**

\_\_\_\_\_ Revise sample document as applicable to annexation  
\_\_\_\_\_ Exhibit A to be copy of 8 1/2 x 11 of boundary map  
\_\_\_\_\_ Exhibit B to be Rate and Method of Apportionment  
\_\_\_\_\_ Exhibit C to be list of owners and APNs, make sure they are the owner as listed at the time of recordation  
\_\_\_\_\_ City Clerk to sign

**CONSENT AND ELECTION TO ANNEX REAL PROPERTY TO AN EXISTING  
COMMUNITY FACILITIES DISTRICT**

**CITY OF PASO ROBLES  
COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES)**

TO: CITY COUNCIL OF THE CITY OF PASO ROBLES IN ITS CAPACITY AS THE  
LEGISLATIVE BODY OF THE ABOVE ENTITLED COMMUNITY FACILITIES DISTRICT:

1. The undersigned is the owner (the "Owner"), or the duly authorized representative of the Owner, of the real property as described in Exhibit A attached hereto and incorporated herein by reference (the "Property"), and in such capacity, possesses all legal authority necessary to execute this Consent and Election as and on behalf of the Owner in connection with the annexation of the Property to the District (as defined below).

The Owner is:

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(Type or print the Full Name of the Owner or Owners of the Property in the above spaces.)

2. The Owner is aware of and understands the following:
  - A. The City of Paso Robles has conducted proceedings pursuant to the "Mello-Roos Community Facilities Act of 1982", (Government Code Section 53311 and following) (the "Act") to form a community facilities district known and designated as COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) (the "District") to finance the increased demand for public services (the "Services") resulting from new development within the District. The services to be financed by the CFD comprise services ("Services") authorized to be financed pursuant to Section 53313 and 53313.5 of the Government Code. CFD 2005-01 shall finance Services only to the extent they are in addition to those provided in the territory of CFD 2005-01 before the CFD was created and such Services may not supplant services already available within CFD 2005-01 when the CFD was created.

For a full and complete description of the public services, reference is made to the final CFD Report, a copy of which is on file in the Office of the City Clerk. For all particulars, reference is made to said CFD Report.

- B. The City has also undertaken proceedings pursuant to Article 3.5 of the Act to provide for the future annexation of certain territory, including the Property, to the District. On April 5, 2005, the City held a public hearing as required by the Act, to consider the future annexation of such territory, including the Property, to the District. Notice of such hearing was given in the form and manner as required by law. A protest to such future annexation was not received from 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be annexed in the future or the owners of one-half or more of the area of land in the territory proposed to be annexed in the future. At the conclusion of such public hearing, the legislative body of the City did approve and provide for the annexation in the future upon the unanimous approval of the owner or owners of each parcel or parcels at the time that such parcel or parcels are annexed, without additional hearings.

**THE UNDERSIGNED DOES HEREBY CERTIFY UNDER PENALTY OF PERJURY AS FOLLOWS:**

3. The Owner consents and elects to and expressly approves annexation of the Property to the District and the authorization for the levy of the Special Tax within the Property without further public hearing and without an election conducted pursuant to the provisions of Government Code Section 53339.7 and Article 2 of the Act and the Elections Code of the State of California. Owner agrees and intends that such consent and approval constitutes Owner's election to annex the Property to the District and to approve the authorization for the levy of the Special Tax within the Property.
4. The Owner waives any right, which the Owner may have to make any protest or complaint or undertake any legal action challenging the validity of the proceedings of the City or the District to authorize the future annexation of the Property to the District or the authorization for the levy of the Special Tax within the Property, any necessity, requirement, right or entitlement for further public hearing or election pertaining to the annexation of the Property to the District and the levy of the Special Tax within the Property.
5. The Owner specifically authorizes the levy of the Special Tax on the Property pursuant to the rate and method of apportionment set forth in Exhibit B to pay for the authorized Public Services.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2005, in \_\_\_\_\_, California.



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(Signature)

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Type or print name of signor

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(Signature)

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Type or print name of signor

Note:

1. Signatures of property owner(s) or representatives must be notarized.
2. Proof of Authorization to sign is required for Corporations, Partnerships, Limited Liability Companies, Trusts, etc.

**NOTARY ACKNOWLEDGMENT**

STATE OF CALIFORNIA )  
COUNTY OF SAN DIEGO ) ss.

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies) and that by his/her/their signature(s) on the instrument, the person(s) or the entity (ies) upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(This area for official notaries seal)

**CONSENT AND ELECTION TO ANNEX REAL PROPERTY TO AN EXISTING  
COMMUNITY FACILITIES DISTRICT**

**CITY OF PASO ROBLES  
COMMUNITY FACILITIES DISTRICT No. 2005-1  
(PUBLIC SERVICES)**

**ANNEXATION No. \_\_\_\_\_**

**EXHIBIT A**

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**ASSESSOR'S PARCEL NUMBER(S)**

**CITY OF PASO ROBLES  
COMMUNITY FACILITIES DISTRICT No. 2005-1  
(PUBLIC SERVICES)**

PASTE COPY OF ASSESSOR PARCEL MAP THAT SHOWS PROPERTY TO BE ANNEXED

**CERTIFICATION OF ADEQUACY OF CONSENT**  
**AND ELECTION TO ANNEX REAL PROPERTY**  
**TO AN EXISTING COMMUNITY FACILITIES DISTRICT**

ANNEXATION NO. \_\_\_\_\_

The undersigned is the duly appointed CITY CLERK for the proceedings relating to the annexation of property to the District.

On the \_\_\_\_\_ day of \_\_\_\_\_, 2005, at PASO ROBLES, California.

\_\_\_\_\_  
CITY CLERK  
CITY OF PASO ROBLES  
STATE OF CALIFORNIA

# REPORT

MEETING DATE :  
To : City Council  
FROM : Community Development Department  
SUBJECT : Annexation No. \_\_\_\_\_ to Community Facilities District No. 2005-1 for Public Services

The enclosed plats show the location of the following properties to be added to the Community Facilities District (CFD) No. 2005-1 for Public Services.

OWNER(S) NAME - PROJECT NUMBER  
OWNER(S) NAME - PROJECT NUMBER  
OWNER(S) NAME - PROJECT NUMBER

The owners of the above properties were conditioned to annex to a Community Facilities District as a condition of the Tentative Map, building permit or conditional Use Permit approval. Resolution No. \_\_\_\_\_ adopted by City Council on April 5, 2005 authorizes the City to annex to CFD 2005-1 properties, which will be assessed only for eligible public services, without further public hearings or formal elections upon receipt of written consent from the owners.

The owners of each parcel or parcels have given consent and approval that such parcel or parcels be annexed to CFD No. 2005-1. The owners have agreed and intend that such consent and approval constitutes election to annex to CFD No. 2005-1 and approval of the authorization for the levy of the Special Tax within the property.

**Recommendation:**

Adopt the attached resolution certifying and adding the above properties to CFD No. 2005-1.

Submitted by:

Reviewed by:

\_\_\_\_\_

\_\_\_\_\_

Community Development Director

City Manager

**AMENDMENT TO THE NOTICE OF SPECIAL TAX LIEN  
(NOTICE OF ANNEXATION)**

**ANNEXATION NO. \_\_\_\_\_**

**CITY OF PASO ROBLES  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(PUBLIC SERVICES)**

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code and Section 53339.8 of the Government Code, the undersigned City Clerk of the City of Paso Robles, acting for and on behalf of the legislative body of the CITY OF PASO ROBLES, COMMUNITY FACILITIES DISTRICT NO. 2005-1 (Public Services), STATE OF CALIFORNIA, HEREBY GIVES NOTICE that a lien is hereby imposed to secure payment of a special tax which the City Council of the City of Paso Robles, County of San Luis Obispo, State of California, acting in its capacity as the legislative body of such Community Facilities District is authorized to annually levy for the following purpose:

To finance increased demand for public services resulting from new development within the District

The special tax is authorized to be levied on the property described in "Exhibit A" attached hereto (the "Annexed Property") which has been annexed to the District, which has now been officially formed, and the lien of the special tax is a continuing lien, which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied and cancelled in accordance with law or until the special tax ceases to be levied and an notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate and method of apportionment of the authorized special tax is as shown on the attached, referenced and incorporated Exhibit "B", and the special tax shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem taxes; provided, however, as applicable, the legislative body of the District may, by resolution, establish and adopt an alternative or supplemental collection procedure as necessary.

Notice is further given that upon the recording of this notice in the office of the County Recorder, the obligation to pay the special tax levy shall become a lien upon the Annexed Property in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners of the Annexed Property as they appear on the last secured assessment roll as of the date of recording of this Notice and Assessor's tax parcels numbers of all parcels or any portion thereof which are included within the

Annexed Property are as set forth on the attached, referenced and incorporated Exhibit "C".

Reference is made to the following:

- 1.
- 2.
- 3.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the following designated person:

Dated: \_\_\_\_\_

CITY CLERK  
City of Paso Robles  
STATE OF CALIFORNIA

## **I Annexation Costs**

### Step 2 Consent and Election Form

Verify ownership of property on County Assessor's Rolls  
Coordinate with Property Owner and Review Title Report  
Prepare form and mail with return envelope to property owner

**2 + Hours = \$200**

### Step 4 Amend Boundary Map

Obtain Assessor's Parcel Maps from Assessor's Rolls  
Verify with Property Owner and City that Assessor's Parcels are correct  
Digitize paper maps unless property owner has already digitized  
Prepare maps containing correct parcels and statutorily required language  
Send out to blueprint company to obtain mylar and blue-line copy  
Send to City so they can record map at County  
Prepare Amended CFD-wide map and make paper copy for City files (optional, but useful so the City has one map showing all of the CFD parcels)

**6+ Hours = \$600, plus \$250 for blueprint company, plus \$250 for digitizing, if necessary**

**Total Charges for Steps 2 and 4 for 1 group of lots = \$1,050 to \$1,300.**

**May need to add up to \$500 more if things are complicated** (multiple owners, parcel slivers, subdivision changes, etc.)

## **II Annual Administration Costs for Services CFD**

Recent examples – **FY 04-05**

City of Calexico CFD No. 2003-1	143 new homes	<b>\$5,491</b>	<b>\$38/du</b>
City of San Jacinto CFD No. 2003-1	181 new homes	<b>\$5,017</b>	<b>\$28/du</b>

## **III Formation Costs (DTA Only)**

Total Formation Costs - \$18,500  
Meetings (9 trips from 1/20/04 to 2/16/05) - \$20,975 (did include some FIR/AB 1600 issues, but mostly CFD)  
**Total - \$39,475**