



# Board Agenda Item 27

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DATE: July 13, 2021  
TO: Board of Supervisors  
SUBMITTED BY: Margaret Mims, Sheriff-Coroner-Public Administrator  
SUBJECT: Adoption and Levy of Special Tax for Mello-Roos Community Facilities District, No. 2006-01, for Enhanced Police Protection Service for FY 2021-22

**RECOMMENDED ACTION(S):**

**Adopt and authorize Chairman to execute Resolution approving special tax amount, and levying special tax in the maximum total amount of \$334,512.86, on developed real properties within (Mello-Roos) Countywide Community Facilities District (CFD) No. 2006-01 (District), including its Annexation Territories, for enhanced police protection services for FY 2021-22.**

The item brought before your Board today will approve the annual levy of the special tax for the District. Attachment A to this Agenda Item includes the proposed special tax rate, the number of current developed lots (417), the number of developed residential units (418), and the total proposed amount of special tax for the District (\$334,512.86). Attachment A also includes the current special tax rates for the District and the proposed increase in the rates (dollars and percentages) for FY 2021-22.

**ALTERNATIVE ACTION(S):**

Your Board needs to set the special tax rate for the District for FY 2021-22. However, your Board may choose not to levy the special tax in the District, or it may choose to levy the special tax at the current FY 2020-21 rate for the District for FY 2021-22. If your Board levies the special tax below the proposed maximum amounts, the difference (that is, the amount not levied) does not carry forward for levy in future fiscal years.

**FISCAL IMPACT:**

There are 417 taxable properties containing 418 residential units within the District. The expected maximum special tax revenue total for these 418 residential units for FY 2021-22 is \$334,512.86 (see Attachment A). In FY 2020-21, the County collected \$306,643.47 in special tax for the District, which the Board levied in July 2020 on 398 taxable properties containing 399 residential units within the District. The special tax revenue pays the Sheriff Office's cost for providing additional or enhanced police protection services in the District 2006-01, and for related administrative costs.

**DISCUSSION:**

Under the 2000 update to the Fresno County General Plan, Policy PF-G.2, the County is to strive to maintain a minimum level of law enforcement services of two sworn officers serving, unincorporated residents per 1,000 residents served. To provide this level of service, the Board determined that the Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act"; Gov. Code § 53311 and following) was the most appropriate financing mechanism available that would allow for this type of service, as it would provide an

uninterrupted source of funding, would require minimal administrative costs, and could maintain an equitable user-based funding for the needed service.

The County may use the Mello-Roos Act to establish CFDs for financing County facilities and certain County services, such as police protection services.

On September 14, 2004, the Board directed the Department of Public Works and Planning to require the use of Mello-Roos CFD financing to fund additional or enhanced law enforcement services in developing unincorporated areas.

Accordingly, on February 1, 2005, the Board adopted the County's goals and policies for Mello-Roos financing of police protection services for new development -that is, a new CFD, including a landowner voter-approved special tax, was imposed on each new development as a condition of the County granting developers their requested entitlements for such new development; such financing was to be ongoing for the continual provision of such services for such new development.

The Board later revised the County's goals and policies for Mello-Roos financing of these police protection services so that there would be a single countywide CFD that would use uniform special tax rates for all such future services to new development in the unincorporated areas. To use a countywide CFD, the County would establish an initial "seed" CFD for a new development, and then annex areas of additional new development into that established "seed" CFD when the developers seek entitlements for additional new development. Although the term "countywide" is used for this CFD, its areas do not currently cover the entire unincorporated areas of the County; rather they currently are non-contiguous areas until they later happen to become contiguous as new development occurs in the unincorporated areas and is approved by the County. The Board's revised County goals and policies also provide that the use of the countywide CFD is the preferred method of Mello-Roos financing for these police protection services, but that your Board still reserves the right in each case to decide whether to establish a separate CFD, or to annex territory to an established CFD, when approving a new development.

On May 2, 2006, the District was first formed by the Board of Supervisors and approved by the qualified landowner-voters pursuant to your Board's policy and direction. Subsequent annexations to the District have occurred since then. The list of the areas covered by the District is as follows:

Initial Countywide CFD:	Timber Ridge (Tract No. 5485), and Countryside Estates (Tract No. 5504).
Annexation Area No. 1A	Indian Rock (Tract No 5050), Quartz Mountain (Tract No. 5276), Red Hawk (Tract No. 5126), and Country Meadows (Tract No. 5397).
Annexation Area No. 2A	Wildflower Village VII and adjacent territory (Tract. No. 5737), and Granite Crest and adjacent territory (Tract No. 4870).
Annexation Area No. 1B	Gold Leaf Ranch (Tract No. 5401)
Annexation Area No. 3A	Hatfield (Tract No. 5334).
Annexation Area No. 7A	Tract No. 5305, Tract No. 5990, Tract No. 5991
Annexation Area No. 8A	Chealsea Downs (Tract No. 5955)
Annexation Area No. 8B	Tract No. 5688
Annexation Area No. 9A	Tract No. 4968

Annexation Area No. 10A	Tract No. 6189; APNs 300-542-16S, 300-542-17S, 300-542-18S, 300-542-39, 300-542-40, 300-542-41, and 300-542-48; Tract No. 6226; Tract No. 4976 and APNs 300-340-13S and 300-542-03; APNs 300-350-28S, 300-542-15S, 300-542-32, 300-542-33, 300-542-52; Tract No. 5430 and APNs 300-340-60S and 300-542-51; and Tract No. 4934
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The Board last updated to its goals and policies for Mello-Roos financing on January 11, 2011.

The Agenda Item presented to your Board today sets the special tax rates for the District. The proposed annual maximum special tax rates for developed properties in the District for FY 2021-22 are calculated pursuant to the County's special tax levying ordinances identified in Attachment A. Because the proposed special tax rates per unit are calculated as an odd number, the odd numbered special tax and the total amount collected (special tax multiplied by current multi-family residential units) will be slightly different. This is due to the Auditor-Controller/Treasurer-Tax Collector's statutory process for collection, in which an odd number may not be entered on the tax roll because the amount must be divisible by two (for two payment installments). Pursuant to Revenue and Taxation Code section 2152.5 the odd cent will be dropped to make an even number that will then be the actual amount collected. This will result in the total special tax collected from multi-family residential units being a few dollars lower than the proposed amount that is presented to your Board today.

As authorized under the Mello-Roos Act, each of the special tax levying ordinances includes a detailed special tax formula known as the "Special Tax Rate and Method of Apportionment". Under the County's goals and policies for Mello-Roos financing of these services, the special tax formula also limits administrative costs in the special taxes to 10% the amount of special taxes that may be levied for any CFDs that are created, or for any territories that are annexed to those CFDs, after March 21, 2006- that is, this 10% limitation essentially applies only to the District, including its annexed territories.

Each of the special tax levying ordinances authorizes your Board to increase the maximum Special Tax rates for the District using the annual escalation factor to account for inflation, which is based on a designated consumer price index (namely, the annual April update using the CPI for Urban Wage Earners and Clerical Workers in San Francisco-Oakland-Hayward Consolidated Metropolitan Statistical Area). The special tax rates and special tax formula, including the annual escalation factor, was approved by the original qualified electors of the District (that is, the landowners at the time of formulation or annexation).

The special tax levying ordinances for the District authorize the annual levy and collection of the special tax, as noted above, and allow for the annual determination of the maximum amount that may be levied up to the maximum rate authorized by your Board, in perpetuity or until the Board terminates the special tax. The special tax levying ordinances also provide that the special tax (if levied by your Board) shall be completed in the same manner as ordinary *ad valorem* taxes, which is the 1% general property tax (unless otherwise determined by the CFD Administrator, which is the Sheriff's Office).

The special tax rate setting and levy procedures have met all of the requirements of the California Constitution and the California Government Code sections governing the Mello-Roos Community Act of 1982.

Deadline for Board action: In order for the County to timely levy the special tax for FY 2021-22, your Board would need to approve the recommended special tax levy resolution, and cause the adopted special tax levy resolution to be filed with the County Auditor-Controller/Treasurer-Tax Collector not later than August 10, 2021.

REFERENCE MATERIAL:

BAI #31, June 22, 2021  
BAI #24, July 7, 2020

BAI #27-30, July 22, 2008

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A

On file with Clerk - Resolution (CFD 2006-01, including Associated Annexations) and Exhibits A through E

On file with Clerk - Public Works Certification

CAO ANALYST:

Yussel Zalapa