



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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MEMORANDUM

TO: The Governing Board

FROM: 
Joseph T. Edmiston, FAICP, Executive Officer

DATE: October 7, 2015

SUBJECT: **Agenda Item IX: Consideration of resolution calling a special tax election for Community Facilities District 2015-1 (Sterling West Hills), Dayton Canyon, City of Los Angeles.**

Staff Recommendation: That the Governing Board adopt the attached resolution calling a special tax election for Community Facilities District 2015-01 (Sterling West Hills).

Background: On September 2, 2015, the Governing Board adopted Resolution 15-131 declaring its intention to establish Community Facilities District (CFD) No. 2015-1 (Sterling West Hills) as a result of the Sterling West Hills project, in order to provide funding to maintain the open space in Dayton Canyon and within the development area to be dedicated to the Mountains Recreation and Conservation Authority (MRCA). Details about the Sterling West Hills project and the purpose of establishing the CFD can be found in the staff reports for agenda items VII and VIII.

On September 16, 2015, a notice of public hearing, including a summary of Resolution 15-131, was published in the Los Angeles Daily News. The hearing is to be held on October 7, 2015 regarding the formation of the CFD. At the public hearing, the Governing Board must hear testimony of all interested persons or taxpayers for or against the establishment of the CFD, the extent of the CFD or the furnishing of the specified types of public facilities. Details of the public hearing are further discussed in agenda item VII. If no protests are made at the hearing, the Governing Board shall proceed, after the hearing, to adopt a resolution to form the CFD, as discussed in agenda item VIII.

Pursuant to Resolution 15-131, a Special Tax to fund the CFD shall be levied annually within the CFD in perpetuity. The levy of the Special Tax is subject to the approval of the qualified voters of the CFD at a special tax election to be held following the Governing Board's adoption of a resolution to form the CFD. The attached resolution authorizes this special tax election to take place in the event the Governing Board adopts the resolution to form a CFD.

In order to expedite the CFD formation process, the participating landowner, Centex Homes, has fully supported the process and has signed a petition, consent and waiver form waiving their right to protest at the public hearing and waiving any minimum time periods relative to the landowner election. Accordingly, the landowner has submitted their election ballot prior to October 7, 2015. If the attached resolution is approved, the Board Secretary, acting as the Election Official, will conduct the special tax election by opening the ballot envelope and canvassing the votes. The results of the votes will be announced after the election has taken place.

The CFD proposes for a special tax (Special Tax A) to be levied annually in perpetuity unless terminated earlier by the MRCA. Upon full build out of the Sterling West Hills project, Special Tax A would generate a maximum annual rate of \$1,408 per parcel. A separate special tax (Special Tax B) will be levied annually as needed (five years) to maintain the Native Plant Establishment Area (required as part of the project) to be owned or managed by the MRCA. Special Tax B would generate a maximum annual rate of \$697 per parcel. Both special taxes would generate \$301,003.

The maximum Special Tax A and maximum Special Tax B shall be increased annually, commencing July 1, 2017, based on the percentage increase in the Consumer Price Index with a maximum annual increase of three percent (3%) and a minimum annual increase of one percent (1%) of the maximum Special Tax in effect in the previous Fiscal Year.