

DATE SUBMITTED 1/28/2025
 SUBMITTED BY COMMUNITY DEVELOPMENT DIRECTOR
 DATE ACTION REQUIRED 2/5/2025

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING (X)
 CITY CLERK'S INITIALS ()

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT: DISCUSSION/ACTION: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL AUTHORIZING THE LEVY OF A SPECIAL TAX FOR THE COMMUNITY FACILITIES DISTRICT NO 2024-1	
1. Waive second reading and adopt by title Ordinance No. 830 and provide direction to staff to prepare a summary for publication purposes.	
DEPARTMENT INVOLVED: COMMUNITY DEVELOPMENT DEPARTMENT	
BACKGROUND/SUMMARY: On November 6, 2024, the City Council adopted a Resolution of Intention declaring its intention to form Community Facilities District 2024-1 (CFD No. 2024-1) for the Morningstar Subdivision to finance certain types of services, such as maintenance and lighting of parks, parkways, and open spaces and maintenance of recreational facilities. On December 18, 2024, The City Council adopted Resolution 2024-55 establishing CFD 2024-01 for Morningstar Subdivision; Resolution 2024-56, calling a special election to the voters of CFD 2024-01 a proposition with respect to the annual levy of special taxes within said Community Facilities District to pay the costs of certain services to be provided by CFD 2024-1 and a proposition with respect to establishing an appropriations limit for said Community Facilities District; Resolution 2024-57, declaring the results of the special election for CFD 2024-1 on the propositions with respect to the annual levy of special taxes to pay the costs of certain services to be provided by the Community Facilities District and establishing an appropriations limit, and on January 15, 2025 the City Council had its introduction and first reading of Ordinance 830. Based on these actions, staff recommends the adoption of Ordinance No. 830, which authorizes the levy of the special tax within CFD 2024-1. This ordinance ensures funding for the essential maintenance and services outlined in the original resolutions, supporting the long-term upkeep and quality of public facilities within the Morningstar Subdivision.	
FISCAL IMPACT: The CFD's collected will cover the costs of maintaining the infrastructure and services within the CFD boundaries, including administrative costs associated with tax levy collection.	ADMIN SERVICES SIGN INITIALS <u>VMS</u>
STAFF RECOMMENDATION: Staff recommends the adoption of Ordinance 830.	DEPT. INITIALS <u>OM</u>
CITY MANAGER'S RECOMMENDATION: <u>approve</u>	CITY MANAGER'S INITIALS <u>DM</u>

ORDINANCE NO. 830

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF THE CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT NO. 2024-1, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, AUTHORIZING THE LEVY OF A SPECIAL TAX IN SUCH COMMUNITY FACILITIES DISTRICT

WHEREAS, the City Council of the City of Imperial, California (the “City Council”), has initiated proceedings authorizing the levy of special taxes in a community facilities district, all as authorized pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1. Division 2, Title 5 of the Government Code of the State of California (the “Act”).

WHEREAS, the City Council adopted Resolution 2024-54 on November 6, 2024, a resolution of intention proposing the formation of the City of Imperial Community Facilities District No. 2024-1 for the Morningstar Subdivision; and

WHEREAS, the City Council adopted Resolution 2024-55 on December 18, 2024, establishing the City of Imperial Community Facilities District 2024-1, and the boundaries thereof for Morningstar Subdivision; and

WHEREAS, the City Council adopted Resolution 2024-56 on December 18, 2024, calling a special election and submitting to the voters of the City of Imperial Community Facilities District No. 2024-1, a proposition with respect to the annual levy of special taxes within said community facilities district to pay the costs of certain services to be provided by the community facilities district and a proposition with respect to establishing an appropriations limit for said community facilities district; and

WHEREAS, the City Council adopted Resolution 2024-57 on December 18, 2024, declaring the results of the special election for the City of Imperial Community Facilities District 2024-1 on the propositions with respect to the annual levy of special taxes to pay the costs of certain services to be provided by the community facilities district and to establish an appropriations limit; and

WHEREAS, the City Council has exercised its due diligence in the legal formation, hereinafter to be referred to as the City of Imperial Community Facilities District No. 2024-1, County of Imperial, State of California (the “District”) for Morningstar Subdivision.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF IMPERIAL DOES ORDAIN AS FOLLOWS:

Pursuant to Section 21-Article V et al, the City Council of the City of Imperial, State of California, does hereby ordain as follows:

SECTION 1. Section 21- Article V Community Facilities District is hereby amended to include Community Facilities District No 2024-1 for the Morningstar Subdivision

SECTION 2. Article V is hereby amended to include to read as follows:

21-36.1 District Established. By the passage of this ordinance, this City Council hereby establishes a Community Facilities District entitled “City of Imperial Community Facilities District No. 2024-1 (Morningstar)” and as adopted in resolution 2024-55 and authorizes and levies special taxes within the District pursuant to California Government Code Section 53328 and 53340, at the rates and in accordance with the method of apportionment set forth set forth in Exhibit “A” as adopted in Resolution 2024-55 (the “Rate and Method”). The special taxes are hereby levied commencing in fiscal year 2025.

21-36.2 Notice of Special Tax Lien. Except when funds are otherwise available, upon recordation of a notice of special tax lien pursuant to the Streets and Highways Code Section 3114.5, a special tax sufficient to pay for all facilities and services, secured by the recordation of a continuing lien against all not exempt real property in the District shall be levied annually, as set forth in as adopted in Resolution 2024-55 (the “Rate and Method”). This lien shall continue in full force and effect until the special tax obligation is prepaid and permanently satisfied and the lien cancelled in accordance with the law or until collection of the tax by the legislative body of the City ceases.

21-36.3 Financial Director Duty. The Finance Director of the City, located at 420 South Imperial Avenue, Imperial, California, (760) 355-4373 is hereby authorized and directed each fiscal year to determine the specific tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within the District, in the manner and as provided in the Rate and Method of Apportionment.

21-36.4 Exempt Properties. Properties or entities of the State, federal or local governments shall be exempt from any levy or the special taxes, to the extent set forth in the Rate and Method of Apportionment. In no event shall the special taxes be levied on any parcel within the District in excess of the maximum tax specified in the Rate and method of Apportionment.

21-36.5 Use of Funds. All of the collect ions of the special tax shall be used as provided for in the Act, the Rate and Method of Apportionment, and in the Ordinance of Formation including, but not limited to, the payment of principal and interest on the Bonds, the replenishment of the reserve fund for the Bonds, the payment of the costs of the Facilities the payment of the costs of the City in administering the District and the costs of collection and administering the special tax.

21-36.6 Collection of Tax. The special taxes shall be collected from time to time as necessary to meet the financial obligations of the District on the secured real property tax roll in the same manner as ordinary ad valorem taxes are collected. The Finance Director of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Imperial and to otherwise take all actions necessary in order to effect proper billing and collection of the special tax, so that the special tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of the District in

each fiscal year until these Bonds are paid in full and provision has been made for payment of all of the administrative costs of the District.

Notwithstanding the foregoing, the Finance Director of the City may collect one or more installments of the special taxes by means of direct billing by the City of the property owners within the District, if, in the judgment of the Finance Director, such means of collection will reduce the administrative burden on the City in administering the District or is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in such respective billing to the property owners.

Whether the special taxes are levied in the manner provided in the first or the second preceding paragraph, the special taxes shall have the same lien priority, and be subject to these same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments.

21-36.7 Partial Invalidity. The City Council hereby determines that all proceeds were valid and in conformity with the requirements of Title 5, Division 2, Part 1, Chapter 2.5 of the California Government Code. If for any reason any portion of this ordinance found to be invalid, or if the special tax is found inapplicable to any particular parcel within the District, by a Court of competent jurisdiction, the balance of this resolution and the application of the special tax to the remaining parcels within the District shall not be affected.

SECTION 3. Incorporation of Recitals. The Recitals set forth above are incorporated herein, are made findings and determination of the City Council, and are an operative part of this Ordinance.

SECTION 4. Special Taxes. This City Council does, by the passage of this Ordinance, authorize the levy of special taxes on taxable properties located in the District pursuant to the Rate and Method of Apportionment as set forth in Exhibit "A" as adopted in Resolution 2024-55 (the "Rate and Method").

SECTION 5. Annual Levy of Special Taxes. This City Council, acting in its capacity as the legislative body of the District, is hereby further authorized, by resolution, to annually determine the special tax to be levied within the District for the then current tax year or future tax years; provided, however, the special tax to be levied shall not exceed the maximum special tax authorized to be levied pursuant to the Rate and Method.

SECTION 6. Manner of Collection. The special taxes herein authorized to be levied, to the extent possible, shall be collected in the same manner as ad valorem property taxes or in such other manner as this City Council shall determine, including without limitation, direct billing of the affected property owners, and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County of Imperial tax roll shall be collected through a direct billing procedure by the Treasurer of the City of Imperial, acting for and on behalf of the District.

SECTION 7. Special Tax Lien. The special taxes authorized to be levied shall be secured by the lien imposed pursuant to Sections 3114.5 and 3115.5 of the Streets and Highways Code of the State of California, which lien shall be a continuing lien to secure each levy of the special tax, shall attach to all non-exempt real property in the District and shall continue in force and effect until the lien is canceled in accordance with law or until collection of the tax by the legislative body ceases.

SECTION 8. Effective Date. This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this Ordinance, or a summary of it, to be published in a newspaper of general circulation in the City of Imperial. The foregoing Ordinance was introduced and the title thereof read at the regular meeting of the City Council the 15th day of January, 2025 and by unanimous vote of the Council members present, further reading was waived.

The City Attorney is authorized to make minor typographical changes to this Ordinance that do not change the substance of this Ordinance;

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial this 5th day of February, 2025.

JAMES TUCKER
Mayor

ATTEST:

KRISTINA SHIELDS,
City Clerk

I, Kristina Shields, City Clerk of the City of Imperial, California do hereby certify that Ordinance No. 830 is a full, true, and correct copy, and was introduced at a regular meeting of the Imperial City Council held on January 15, 2025, and adopted at a regular meeting of the City Council held on February 5, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Imperial, California, on February 5, 2025.

KRISTINA SHIELDS,
City Clerk