



Council Agenda Report

Department Name: Finance
Cost Center: 2001
For Agenda of: May 4, 2021
Placement: Consent
Estimated Time: N/A

FROM: Brigitte Elke, Finance Director

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SUBJECT: SECOND READING OF ORDINANCE NO. 1697 (2021 SERIES)
APPROVING THE LEVY OF THE SPECIAL TAX FOR THE SAN LUIS
RANCH COMMUNITY FACILITIES DISTRICT

RECOMMENDATION

Adopt Ordinance No. 1697 (2021 Series) entitled, “An Uncodified Ordinance of The City of San Luis Obispo, California, levying a Special Tax for the fiscal year 2021-2022 and following fiscal years solely within and relating to the City of San Luis Obispo Community Facilities District No. 2019-1 (San Luis Ranch).”

DISCUSSION

Background

On April 20, 2021, the City Council voted 4:0:1 to introduce Ordinance No. 1697 (2021 Series), levying a special tax for the San Luis Obispo Community Facilities District No. 2019-1 (San Luis Ranch). The ordinance sets forth the special tax levy for fiscal year 2021-22 and all subsequent fiscal years and is solely applicable within the boundaries of the San Luis Ranch Community Facilities District.

Policy Context

The approved San Luis Ranch Specific Plan and related entitlements are consistent with the City’s adopted General Plan, and findings to that effect were made in both the original project approved in July 2017 as well as the amended project approval in August 2018. An evaluation of the project’s consistency with General Plan policies is discussed at length in Section 4.9 of the certified Final Environmental Impact Report.

The Specific Plan requires that funding mechanisms be included to ensure that public infrastructure is coordinated with future development under the plan. The formation of a CFD was consistent with this requirement. A CFD, as enabled by the Community Facilities District Act of 1982, allows a local jurisdiction to levy a special tax within a specified area to pay for public services and/ or infrastructure needed within the area.

The City's Financial Policies, under Section 9.E and F.1. outline the City's administration of land-based financing and special tax district administration.

Public Engagement

The introduction of the Ordinance was part of a public hearing before the City Council and advertised on April 8, 2021. The Council Agenda of the meeting has been made public one week prior and the meetings is open to the public.

The landowners of the properties subject to the tax have been notified and provided the necessary ballots to vote on the special tax district. The vote was reported on in public session during the April 20, 2021 meeting and the special tax approval passed.

CONCURRENCE

The Community Development Department concurs with the recommendations contained within this report. The landowners of the district approved the special tax levy by majority vote.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: No
21

Budget Year: 2020-

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Current Cost	FY	Annualized On-going Cost	Total Project Cost
General Fund	N/A			
State				
Federal				
Fees				
Other:				
Total				

There is no fiscal impact to the City related to the adoption of the Ordinance. The special tax will be levied on the land and property owners of the district and pay for the infrastructure and related bond indebtedness of the district.

ALTERNATIVES

Do not conduct the second reading and adoption of the Ordinance. The City Council could choose not to adopt the proposed Ordinance, in which case the CFD process is not completed. That means the project will not move forward without the authorization to levy the special tax in the San Luis Ranch CFD to cover the bonded debt payments that will provide, among other things, funding for Prado Road Interchange.

Attachments:

a- Ordinance No. 1697 (2021 Series)