



Item Number: 4

City Council / Board of Directors

Consent Calendar

Meeting of: January 21, 2025

Submitted By:

Jennifer Thompson, City Clerk

Subject:

Second Reading of Ordinance No. 2453

Recommendation:

That the City Council adopt, by second reading, Ordinance No. 2453, acting in its capacity as the Legislative Body of Community Facilities District No. 2024-01 of the City of Victorville (Municipal Services) authorizing the levy of special taxes within said Community Facilities District.

Fiscal Impact:

Establishment of CFD No. 2024-01 will allow for the levy of special taxes to pay for vital municipal services. In addition, CFD No. 2024-01 municipal services taxes will have an annual maximum allowable increase by either the percentage change in the Consumer Price Index (CPI) for the calendar year ending in December of the prior year or five percent (5%), whichever is greater, to ensure that the increased cost of providing services is adequately mitigated. This cost escalator has been derived as the maximum allowable amount due to the cost increases the City has experienced in expenses related to public safety and maintenance costs.

Additionally, though not legally required per the Mello-Roos Act, staff will conduct an annual analysis to determine the need for, and amount of, any proposed annual escalator, not greater than the maximum allowable amount to be applied to the CFD. The City Council will be the approving authority on the annual levy amount, similar to the current process for assessment districts and other rate increases. In other words, the amount that will be levied each year will be determined by the City Council, subject to the not to exceed maximums.

Two separate funds will be created, one for each component of the municipal services associated with the Community Facilities District (CFD): Citywide CFD – Public Safety (Special Tax A) and Citywide CFD – Maintenance (Special Tax B). Following the

formation of the CFD, new residential and non-residential projects will be able to annex into the Citywide CFD as a means to satisfy their project conditions of approval.

Strategic Plan Goal:

The City Council adopted the updated Strategic Plan with seven overarching goals to be completed between 2023 and 2026 and various strategies aimed to achieve these goals. Under Goal A, Financial Sustainability, Strategy 5 is focused on exploring the potential creation of a CFD or other financing mechanisms for operation and maintenance of various public improvements. If approved, this item will form a Citywide services CFD and allow future development projects to annex into the CFD. Implementing this new Citywide CFD will help alleviate the financial burden on the General Fund by addressing future impacts of new development on public safety and maintenance services.

Discussion:

At the Regular City Council meeting held on December 17, 2024, the City Council voted to introduce Ordinance No. 2453, acting in its capacity as the Legislative Body of Community Facilities District No. 2024-01 of the City of Victorville (Municipal Services) authorizing the levy of special taxes within said Community Facilities District.

This ordinance is being presented for adoption and once adopted, will become effective February 20, 2025.

Attachments: A. Ordinance No. 2453