RESOLUTION NO. 2025-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, FORMING THE CITY OF PALM DESERT COMMUNITY FACILITIES DISTRICT NO. 2025-1 (SHADOW RIDGE PUBLIC SERVICES), AUTHORIZING THE LEVY OF A SPECIAL TAX THEREIN, ESTABLISHING AN APPROPRIATIONS LIMIT, AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT

WHEREAS, the City Council of the City of Palm Desert adopted Resolution No. 2025-1 (the "Resolution of Intention"), stating its intention to form City of Palm Desert Community Facilities District No. 2025-1 (Shadow Ridge Public Services) (the "CFD") pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD, and stating the services to be provided, and the rate and method of apportionment of the special tax to be levied within the CFD to pay for the services, is on file with the City Clerk and the provisions of the Resolution of Intention are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on February 13, 2025, the City Council held a noticed public hearing as required by the Act and the Resolution of Intention with respect to the proposed formation of the CFD; and

WHEREAS, at the hearing, all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the services to be provided therein and the levy of such special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing, evidence was presented to the City Council on such matters before it, including a special report (the "Report"), attached as Exhibit C hereto and hereby incorporated herein, prepared by, or on behalf of, the City officer who is or will be responsible for the CFD describing the services to be provided through the CFD and the costs thereof pursuant to the Resolution of Intention, a copy of which is on file with the City Clerk; and

WHEREAS, no written protests have been filed with the City Clerk by 50% or more of the property owners that own one-half or more of the area of land within the CFD, and not exempt from the proposed special taxes.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM DESERT, DOES HEREBY RESOLVE AS FOLLOWS:

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1.   **Recitals.** The City Council finds and determines that all the foregoing recitals are true and correct and incorporated herein.

2.   **No Majority Protest**. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to Section 53324 of the Act.

3.   **Prior Proceedings Valid.** All prior proceedings taken by the City Council in connection with the establishment of the CFD, and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act, including without limitation, the filing of a petition of a landowner requesting institution of proceedings to establish the CFD, adoption of the Resolution of Intention, publication of notice of public hearing on the establishment of the CFD, and conducting the public hearing on the establishment of the CFD.

4.   **Report**. The Report, as now submitted is hereby approved and is made a part of the record of the hearing, and is kept on file with the transcript of these proceedings and open for public inspection.

5.   **Name of CFD.** The community facilities district designated "City of Palm Desert Community Facilities District No. 2025-1 (Shadow Ridge Public Services)" is hereby established pursuant to the Act.

6.   **Boundaries of CFD.** The boundaries of the CFD, as set forth in the map of the CFD, on file with the City Clerk's office and as described in the Resolution of Intention, and recorded in the Riverside County Recorder's Office on January __, 2025 in Book __ of Maps of Assessment and Community Facilities Districts, at pages __ and __, as Document No. ___, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD.

7.   **Description of Services.** The type of public services proposed to be financed by the CFD pursuant to the Act shall consist of those items shown in Exhibit A hereto and by this reference incorporated herein (the "Services").

8.   **Special Tax**.

a.   Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by the City Council.

b.   The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD are shown in Exhibit B attached hereto and hereby incorporated herein, and include sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay.

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9.   **Increased Demands.** It is hereby found and determined that the Services are necessary to meet increased demands placed upon local agencies, including the City, as the result of development occurring in the CFD. The Services are in addition to those provided in the territory of the CFD as of the date hereof and will not supplant services already available within the territory of the CFD as of the date hereof. The City Council hereby determines the rate and method of apportionment set forth in Exhibit B to be reasonable.

10.   **Accountability Measures**. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council hereby establishes the following accountability measures pertaining to the levy by the CFD of the Special Tax above:

a.   Such Special Tax shall be levied for the specific purposes set forth herein.

b.   The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth herein.

c.   The CFD shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

d.   The Director of Finance, or their designee, acting for an on behalf of the CFD, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

11.   **Responsible Official.** The City's Director of Finance, or designee thereof, 73-510 Fred Waring Drive, Palm Desert, California, telephone number (760) 346-0611, is the officer of the City who will be responsible for preparing annually a current roll of the levy of the Special Tax obligations by assessor's parcel number and who will be responsible for estimating future levies of the Special Tax.

12.   **Tax Lien.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the CFD, and this lien shall continue in force and effect until the Special Tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the Special Tax by the City ceases.

13.   **Appropriations Limit.** In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at an amount equal to all the proceeds of the special tax collected annually within the District, and such appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing such annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act and the Constitution.

14.   **Election.** Pursuant to the provisions of the Act, the proposed levy of the Special Tax and the proposed establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election, the time, place and conditions of which election, shall be as specified by a separate resolution of this Council. The City Clerk is directed to certify and attest to this Resolution and to take any and all necessary acts to call, hold, canvass, and certify an election or elections on the levy of the Special Tax and the establishment of the appropriations limit.

15.   **Effective Date.** This resolution shall take effect upon its adoption.

PASSED, APPROVED and ADOPTED by the City Council of the City of Palm Desert, California, on this 13th day of February, 2025, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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_____

JAN C. HARNIK
MAYOR

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ATTEST:

_____
ANTHONY J. MEJIA
CITY CLERK

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EXHIBIT A

CITY OF PALM DESERT
Community Facilities District No. 2025-1
(Shadow Ridge Public Services)

DESCRIPTION OF SERVICES

The services to be funded, in whole or in part, by the community facilities district (the "CFD") include, but are not limited to: (i) police protection and related services of the City of Palm Desert required to sustain the public safety service delivery capability for emergency and non-emergency services including related facilities, equipment, vehicles, services, supplies and personnel; (ii) Fire protection and suppression services, and ambulance and paramedic services; (iii) maintenance and lighting of parks, parkways, streets, roads and open space; (iv) flood and storm protection services; and (v) other public services authorized to be funded under Section 53313 of the California Government Code.

The District may fund any of the following related to the services described in the preceding sentence: obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/ or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of personnel necessary or convenient to provide the services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

The services to be financed by the District are in addition to those provided in the territory of the District before the date of creation of the District, and will not supplant services already available within that territory when the District is created.

Administrative Expenses: The administrative expenses to be funded by the District include the direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County of Riverside related to the District or the collection of special taxes, an allocable share of the salaries of the City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the District or the services authorized to be financed by the District, and expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the District.

Other: The incidental expenses that may be funded by the District include, in addition to the administrative expenses identified above, the payment or reimbursement to the City of all costs associated with the establishment and administration of the District.

EXHIBIT B

CITY OF PALM DESERT
Community Facilities District No. 2025-1
(Shadow Ridge Public Services)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

(see attached)

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EXHIBIT C

CITY OF PALM DESERT
Community Facilities District No. 2025-1
(Shadow Ridge Public Services)

<u>CFD REPORT</u>

(see attached)