



## CC Regular Meeting

# AGENDA ITEM REPORT

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**Meeting:** June 3, 2025

**Title:** Adoption of Resolutions Relating to the Annexation of Territory to Community Facilities District No. 2007-1, Declaring Intention to Authorize Annexation, Adopting Boundary Map, and Setting the Public Hearing Date for July 15, 2025

**Presented by:** Brian K. Lee, AICP, Deputy City Manager/Director of Community Development

**Recommendation:** 1. Adopt City Resolution CC 2025-42, declaring intention to authorize the annexation of territory (1207 West Badillo Street, Covina//Annexation 38) to Community Facilities District No. 2007-1 (Public Services); and

2. Adopt City Resolution CC 2025-43, adopting boundary map showing territory proposed to be annexed in the future to Community Facilities District No. 2007-1 (Public Services).

### EXECUTIVE SUMMARY:

On June 5, 2007, the City Council held a public hearing and formed Community Facilities District (CFD) 2007-1 (Public Services). Pursuant to the Conditions of Approval for development of twenty-eight (28) multi-family residential units at 1207 West Badillo Street, the builder agreed to annex to the CFD, or to pay an in-lieu fee based on the financial impact on Police, Fire, Emergency and Parks services. The builder has opted to annex into the CFD.

Under the CFD, in Fiscal Year 2024-2025, any new multi-family residential units are charged \$645.38 per unit per year for the following services: police, fire protection and suppression, paramedic services, and park maintenance. This Special Tax appears on the annual Property Tax bill for each parcel. The Special Tax authorized by the CFD shall be levied on all parcels for which building permits were issued on or before May 1 of the preceding fiscal year.

This program has been conceived with the intention that all future residential development, which results in a net increase of residential units, will annex to the CFD or pay an equivalent mitigation fee. Residential units constructed prior to formation of the CFD are not subject to the Special Tax.

### DISCUSSION:

Resolutions that notice the intent of the City to annex property to the CFD, identify the boundaries of the proposed annexation, identify the types of services to be funded by the CFD, and notice that a public hearing will be held on July 15, 2025, where the City Council will consider the proposed annexation, are pursuant to the Conditions of Approval for development of twenty eight (28) new multi-family residential units at 1207 West Badillo Street, Covina, California. The Assessor's Parcel Number (APN) is 8434-017-082.

The purpose of the CFD is to finance the aforementioned public safety and park services that are in addition to those currently provided for the territory within the District. In Fiscal Year 2024-2025, the estimated amount for these services, for eighteen (18) additional multi-family residential units, is \$11,616.84. Ten (10) existing units on the lot will be demolished, resulting in a net increase of eighteen (18) residential units subject to the Community Facilities District tax.

**FISCAL IMPACT:**

There is twenty-eight (28) multi-family residential units in the proposed annexation area, of which eighteen (18) that is subject to the special tax. The "Special Tax" authorized by the proposed annexation to Community Facilities District 2007-1 (the "CFD") will generate an estimate of \$645.38 per unit (\$11,616.84 total) annually based on Fiscal Year 2024-2025 special tax rates and will be deposited to Account No. 2740-4800-45800. The Special Tax shall be used to pay for the following services: police, fire protection and suppression, paramedic services, and park maintenance. The Special Tax will increase annually by the greater of two percent (2.00%), or the percentage change in the Consumer Price Index.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This activity will not result in a reasonably foreseeable change to the physical environment; it is exempt from CEQA under State CEQA Guidelines 15061 (b) (2) and (3) and does not constitute a project.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "B.K. Lee", with a long horizontal flourish extending to the right.

Brian K. Lee, AICP  
Deputy City Manager/Director of Community Development