



CC Regular Meeting AGENDA ITEM REPORT

Meeting:	July 15, 2025
Title:	Consideration of Resolutions Authorizing Annexation of Territory to City of Covina Community Facilities District No. 2007-1 (Public Services) (Annexation No. 38), and to Call and Hold a Special Election (1207 West Badillo Street, Covina)
Presented by:	Brian K. Lee, AICP, Deputy City Manager/Director of Community Development
Recommendation:	<ol style="list-style-type: none">1. City Council to open the public hearing and consider public testimony and close the public hearing; and2. Adopt Resolution CC 2025-81, authorizing the annexation of territory to Community Facilities District No. 2007-1 (Annexation No. 38) and authorizing the levy of a special tax and submitting the levy of tax to the qualified electors; and3. Adopt Resolution CC 2025-82, calling a special election and submitting to the voters of Annexation No. 38 of City of Covina Community Facilities District No. 2007-1 (Public Services), propositions regarding the annual levy of special taxes within Annexation No. 38 to finance public services, and the establishment of an appropriations limit; and4. Adopt Resolution CC 2025-83 making certain findings, certifying the results of an election and adding property to Community Facilities District No. 2007-1 (Public Services), Annexation No. 38.

EXECUTIVE SUMMARY:

At the June 3, 2025, City Council meeting, the Council adopted the boundary map showing territory proposed to be annexed as Annexation No. 38, and declared its intention to authorize the annexation of that territory to Community Facilities District (CFD) No. 2007-1 (Public Services).

The purpose of the CFD is to finance the public safety and park services that are provided to the territory within the District beyond that provided by the City generally. In Fiscal Year 2025-2026, it has been determined that the cost of these services, for each additional multi-family residential unit, will be \$666.67 per year. This program has been conceived with the intention that all future residential development, which results in a net increase of non-exempted residential units, would be required to annex to the CFD. The project at 1207 West Badillo Street, Covina will have a total of twenty-eight (28) new multi-family residential units. The special tax will be applicable to eighteen (18) multi-family residential units in Annexation No. 38.

DISCUSSION:

The purpose of the public hearing is to 1) authorize the annexation of territory to the CFD (Annexation No. 38); 2) call and hold an election of property owners within the CFD, and 3) authorize the levy of a special tax within Annexation No. 38 to the CFD. The related resolutions are hereby presented to the City Council, pursuant to the Conditions of Approval for twenty-eight (28) new multi-family residential units to be built at 1207 West Badillo Street, Covina, California. Ten (10) existing units on the lot will be demolished, resulting in a net increase of eighteen (18) multi-family residential units subject to the special tax.

Pursuant to the Conditions of Approval for development of a multi-family development at 1207 West Badillo Street, Covina, the applicant 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 opted to annex into the CFD. Under the proposed CFD,

in Fiscal Year 2025-2026, any newly constructed, non-exempted multi-family residential unit is charged \$666.67 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 unit. The Special Tax authorized by the CFD shall be levied on all units for which building permits were issued on or before May 1 of the preceding fiscal year.

FISCAL IMPACT:

The “Special Tax” authorized by the proposed Community Facilities District (CFD) will generate \$12,000.06 annually, based on eighteen (18) new multi-family residential units at the FY 2025-2026 tax rate of \$666.67 per multi-family unit and will be deposited to Account No. 2740-4800-45800. The Special Tax shall be used to pay for the following additional services in the District: 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):

Staff has determined that the annexation of the does not constitute a “project” under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15378(b)(4) because such annexation involves the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B.K. Lee', is written over a horizontal line.

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