

HEBER MEADOWS CFD 2005-1

REPORT TO BOARD OF DIRECTORS

MEETING DATE: November 18, 2021

FROM: Laura Fischer, General Manager

SUBJECT: Authorize the General Manager to authorize the completion of a Nexus Study related to the Cost to provide service for Zone 2 of the Heber Meadows CFD 2005-1.

ISSUE: Shall the Heber Meadows CFD 2005-1 Board to Authorize the Completion of a Nexus Study Related to the Cost to Provide Services for Zone 2 of the Heber Meadows CFD 2005-?

General Manager's Recommendation

Authorize the Completion of a Nexus Study Related to the Cost to Provide Services for Zone 2 of the Heber Meadows CFD 2005-1

FISCAL IMPACT:

\$6,160.00 to be paid through CFD administrative cost. The Holt Group planning department will prepare the Nexus study and assist the District to ensure that new development in zone 2 will be included in the Heber Meadows CFD 2005-1.

BACKGROUND:

The Board of the Heber Public Utility District, pursuant to the provisions of Chapter 2.5 of Part I of Division 2 of Title 5, commencing with Section 53311 of the California Government Code (the "Act"), adopted a Resolution entitled "A Resolution of the Board of the Heber Public Utility District of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Pursuant to the Mello-Roos Community Facilities Act of 1982". Heber Meadows CFD 2005-1 was created in 2005 by Ordinance.

CFD No. 2005-1 is generally located south of Correll Road, east of Rockwood Street, and north of Sixth Street, designated as Tract No. 00956. Zone 1 was planned to ultimately consist of 219 single homes. Zone 2 did not have a planned track map or development when the CFD was created, however there is currently a planned development for zone 2.

The Rate and Method of Apportionment of Special Taxes, as approved by the District sets the actions required to annually levy a special tax on each parcel of land within the District. The amount levied is such that it fulfills Special Tax Liability for the outstanding bond of the CFD 2005-1. In order to determine the full shared cost for the development in zone 2, the Heber Meadows CFD 2005-1 should conduct a Nexus Study to determine the need, benefit and cost to include zone 2 in the shared cost of the CFD.

The Nexus study should show that the HPUD's cost to maintain Jiggs Johnson Park, Recreation Center, and the retention basin are greater than what we are currently receiving from the CFD. The inclusion of zone 2 in the cost recovery should assist the current home owners and HPUD as we identify a fair and equitable cost share for both

zones.

DISCUSSION:

Currently staff and The Holt Group have been corresponding with the new developer to let them know that they are part of the Heber Meadows CFD and that there will be some development impact fees and or CFD's that may be applied.

The planning documents can be found at the link below. The following is copied from the development documents.

<https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:9f5ed0ec-de96-4489-9270-61f9931ca007>

Description of the Proposed Project:

The phase 1, lot 1 which is a 2.95 acre project would construct 64 apartments for low income families at a density of 21.7 du/acre. Subsequent phases would follow based on funding availability and market demand. The phase 1 project would include various on-site amenities, parking, stormwater treatment and related infrastructure improvements. A public cul-de-sac from Correll Road known as Willowbrook Place would provide the main access to lots 1 through 4.

The proposed project would require a tentative and final map in order to subdivide the 16.22 acres (APN 054-601-016) into five lots. These lots would create legal lots to build future affordable or market rate housing projects. For this analysis a maximum total of 320 units are projected. The original conditions of approval for the Heber Meadows project contain conditions which have been completed, unsatisfied conditions and other conditions which are no longer applicable.

One of the major outstanding conditions is the requirement to signalize the intersection of SR-86 and Pitzer Road. On June 26, 2020 the phase 1 project was awarded an Infill Infrastructure Grant (IIG) for \$2,315,268 in order to pay for this signalized intersection. Additional funding was included to pay for the Willowbrook cul-de-sac and a sidewalk to the elementary school located west of the project. Even though the project is only required to construct a portion of this signalized intersection, the IIG funding will allow the intersection to be built out per the original conditions of approval. This would offset any other fair share contributions which are incidental in comparison.

Because the original project CEQA reports/documents were approved in in 2004, it was determined to update certain reports such as traffic, noise, biology, cultural, air quality and greenhouse gases. A new Initial Study will be prepared not only for the site, but also for the impacts to the SR-86 and Pitzer Intersection. The County is the lead agency and the approved CEQA documents will be required in order to obtain entitlements and the encroachment permit from Caltrans.

The project proponent is continuing to work closely with Caltrans and Imperial Irrigation District (IID) to prepare final engineering plans for the intersection of SR-86 and Pitzer Road. The project site is bordered by cultivated agricultural land to the north and east; singlefamily residential to the south (i.e., Heber Meadows) and the Heber Meadows (Jiggs Johnson) Neighborhood Park and the retention basin to the west. The zoning for the property is R3 "High Density Residential Zones" according to the Heber and Imperial County's zoning code. This zone is intended as an area for the development of residential apartments with provisions for adequate light, air, open space and landscaped areas at a maximum density of 29 units per net acre. The project may utilize waivers or incentives per state affordable housing laws, but these, if any will to be determined during further County review.

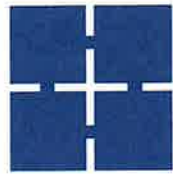
CONCLUSION:

11/18/21 Nexus Study CFD

It is in the best interest of the District to move work closely with the developer to ensure that they are included in the Heber Meadows CFD 2005-1 so that we can recover our cost to maintain parks, and other facilities in the Heber Meadows area.

Respectfully Submitted,

Laura Fischer, General Manager



The
Holt
Group

Engineering * Planning * Construction Management

1601 North Imperial Avenue
El Centro, CA 92243
(760)337-3883

November 10, 2021

Ms. Laura Fischer, General Manager
Heber Public Utility District
1078 Dogwood Rd., Ste 103
Heber, CA 92249

RE: Task Order for Nexus Study Related to Provision of Services for the Miraluz Tentative Map and Apartment Complex Project

Dear Ms. Fischer,

The Heber Public Utility District (HPUD) received a Tentative Tract Map and development proposal for the Miraluz apartment project located within Lot D of the Heber Meadows Subdivision. The proposed project consists of the subdivision of an existing 16.22-acre parcel into five separate lots intended for the development of multi-family apartment complexes. The first phase of the project involves the construction of 64 apartment units on a 2.95-acre parcel. The remaining parcels are expecting to be developed in a similar manner. HPUD will provide water, wastewater, parks and recreation, stormwater drainage, and perhaps lighting maintenance. The project site is located within Heber Meadows Community Facilities District (CFD #2005-1) but is not currently subject to a tax assessment to recover the costs of providing these services (other than water and wastewater).

Local agencies and public utility districts may charge fees pursuant to the Mitigation Fee Act (California Government Code §66000 et seq.) to finance the cost of public services needed to serve (or mitigate the effects of) future development. This type of fee is a monetary exaction, not a property-related tax or special assessment within the meaning of Proposition 218 (California Constitution, Article XIII). Prior to levying these fees, the Mitigation Fee Act requires the local agency to complete a nexus study to demonstrate a reasonable relationship between the fee's use, the need for the public service, and the amount of the fee versus the cost of providing the services on the type of development project on which the fee is imposed. To complete this nexus study, The Holt Group, Inc. proposes to complete the following Scope of Work.

SCOPE OF WORK

The Holt Group will work with HPUD to collect necessary data and documents required to fully support a comprehensive Nexus Study and feasibility study. The Holt Group, Inc. will prepare and provide a Nexus Study which provides an analysis and results in order to provide legal Nexus Study fee recommendations. Analysis will document fee study results, including but not limited to, a description of the overall methodology, findings, and supporting justification. The Holt Group will determine the future parks and recreation needs of the proposed development based on standards set forth in the HPUD Service Area Plan and the County of Imperial General Plan. The Holt Group will also determine the level of impact on the stormwater drainage system and cost to maintain the retention basin(s). The cost analysis will be based on the past expenditures with an annual cost-indexing basis to allow for future increase in the cost of providing those services. The Nexus Study will provide the legal nexus between the fee recommendation and the proposed development. The fee study results will be documented in the report with a description of the overall methodology, findings, supporting justification, and recommended fees.

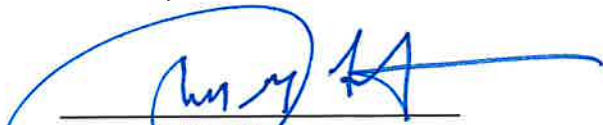
COST PROPOSAL

The Holt Group proposes to complete the scope of work on for a cost not to exceed \$6,160.00, based on the following breakdown:

Scope of Work	Hours	Hourly Rate	Subtotal
Senior Planner	20	\$150.00	\$3,000.00
Senior Engineer	12	\$150.00	\$1,800.00
Assistant Planner	10	\$80.00	\$800.00
Planning Clerk	8	\$70.00	\$560.00
Grand Total:			\$6,160.00

We greatly appreciate the opportunity to be of service and we look forward to a continued and strong working relationship with the Heber Public Utility District. Should you have any questions, please do not hesitate to contact me at (760) 337-3883.

Sincerely,



James G. "Jack" Holt, PE
Secretary/CFO

cc: George Galvan, AICP, The Holt Group, Inc.