



FRESNO COUNTY FIRE

PROTECTION DISTRICT

210 South Academy Avenue
Sanger, California 93657
Telephone: (559) 493-4300
Fax: (559) 875-8473
www.fresnocountyfire.org

STAFF REPORT

To: President Del Puppo and Members of the Board
Fresno County Fire Protection District

Date: April 17, 2019

From: William D. Ross, District Counsel

Subject: Agenda Item 12 - Resolution 2019-03 Cancelling CFD Tax Liens

BACKGROUND:

The Fresno County Fire Protection District (“District”) administers Community Facilities District No. 2010-01 (the “CFD”). Consistent with the Mello-Roos Community Facilities Act of 1982, California Government Code Section 53311 *et seq.* (“Mello-Roos Act”), the CFD funds services and facilities pursuant to the Rate and Apportionment procedures established in District Resolution 2010-09 and amended by Resolution 2016-03.

On July 10, 2018, the Fresno County Board of Supervisors approved a 20-year Memorandum of Understanding with the District for the provision of fire suppression, prevention, and emergency response to areas within Fresno County that are not currently served by a recognized fire protection agency. In connection with this Memorandum of Understanding with Fresno County, the District committed to modify the CFD by: (1) removing “non-conforming property” from the scope of the CFD (2) exempting single-family residences from taxation, except single-family residences that are part of a subdivision of three or more housing units, and (3) refining the definition of “commercial” and “industrial” property within the CFD ordinance.

The CFD is split into two separate zones. Zone 1 is Millerton New Town, while Zone 2 is the entire remainder of the District. Two different taxes are levied in the CFD: Special Tax A, which is used to fund facilities, and Special Tax B, which funds services. The rates for Special Tax A and Special Tax B vary between Zone 1 and Zone 2, and depending on the type of property

On August 22, 2018, the District accomplished these changes by adopting Resolution 2018-02, which:

- Amended the CFD’s Rate and Method of Apportionment by exempting certain Single-Family Residential (“SFR”) properties from taxation. Specifically, the following SFR

property are now classified as “Exempt Property” and not subject to CFD taxation: (1) SFR Property resulting from subdivisions of land occurring prior to the formation of the CFD in May 2010, and (2) SFR Property resulting from subdivisions of land into two or less lots or Assessor’s Parcels. CFD taxes continue to be applied to SFR properties that resulted from subdivisions of land into three or more parcels which occurred after the CFD’s formation.

- Eliminated the tax on “Non-Conforming Property.” Removing Non-Conforming Property from the scope of the CFD was done to make administering the CFD more efficient and cost-effective, as well as to clarify that the CFD is not intended to apply to auxiliary structures placed on Single-Family Residential property, such as small garages, outbuildings, sheds, or barns.
- Clarified the role of Fresno County in identifying “Industrial Property” that is subject to the CFD. Industrial properties include properties zoned by Fresno County for industrial use, including but not limited to cold storage and slaughter houses, cotton gin and compresses, factories, air terminals, storage facilities, granary and rice mills, light industrial, light manufacturing, lumber yards, oil and gas bulk plants, packing houses, warehouses, and wineries.

As a final step to implement these changes, it is necessary to cancel and remove existing tax liens on property that is now exempted from CFD taxation. District staff has identified property with liens that, consistent with Resolution No. 2018-02, should now be cancelled. This list is attached. Staff has also prepared a draft instrument to file with the Fresno County Recorder’s Office that would cancel the liens on the identified properties.

By cancelling the CFD liens on the identified parcels, it is not the District’s intent to take any action relating to funds that were properly levied and received under the CFD prior to the adoption of Resolution 2018-02.

RECOMMENDATION:

Adopt resolution cancelling existing tax liens on properties that have been exempted from the District’s CFD taxes.

Attachments:

- Resolution Discharging Tax Liens
- Resolution Exhibit A: List Identifying Parcels with Tax Liens to be Discharged
- Resolution Exhibit B: Draft Instrument Discharging Tax Liens