



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: August 19, 2014

Agenda Item 7A

**Approvals:**

City Manager [Signature]  
Dept. Head WEL  
Attorney JD  
Finance JV

**Department:** Public Works / Engineering  
**Prepared By:** Tom Bonigut, Assistant City Engineer TB  
Erik Sund, Assistant City Manager

**Subject:** **PUBLIC HEARING TO CONSIDER ALTERING THE RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAXES FOR MARBLEHEAD COASTAL COMMUNITY FACILITIES DISTRICT (CFD) No. 2006-1.**

**Fiscal Impact:** None. All costs associated with proceedings to consider the proposed modifications of the special taxes authorized to be levied within the CFD have been advanced by Marblehead Development Partners LLC pursuant to the Reimbursement Agreement previously approved by the City Council.

**Summary:** This item is to conduct a public hearing on proposed changes to the Rate and Method of Apportionment of Special Taxes (RMA) for the existing Marblehead Coastal CFD No. 2006-1. However, staff recommends that the City Council not open the public hearing and not take any final action, and instead continue this item to the City Council's September 16, 2014 meeting.

**Discussion:** The current property owner and developer of the Marblehead Coastal residential development, Marblehead Development Partners LLC, requested an amendment to the RMA to reflect current market conditions. To that end, on July 1, 2014 the City Council, acting as the legislative body of CFD No. 2006-1, adopted a Resolution to declare its intent to amend the RMA, and set a public hearing for August 19, 2014 to consider the matter. However, a very recent (August 1, 2014) District Court of Appeal decision has created some uncertainty regarding the validity of landowner voting procedures in special taxing districts, including CFDs. The City Attorney's office, City staff, City's CFD bond team, and Marblehead Development Partners LLC need more time to address how the recent court decision might impact the proposal to modify the existing Marblehead CFD No. 2006-1.

**Recommended**

**Action:** STAFF RECOMMENDS THAT the City Council not open the public hearing to consider altering the Rate and Method of Apportionment of the Special Taxes for Marblehead Coastal Community Facilities District (CFD) No. 2006-1, and instead continue the item to September 16, 2014.

**Attachments:** None.

**Votification:** Marblehead Development Partners, LLC.