

RESOLUTION NO. 2024-45

RESOLUTION OF FORMATION OF THE CITY COUNCIL OF THE CITY OF COACHELLA TO ESTABLISH CITY OF COACHELLA COMMUNITY FACILITIES DISTRICT NO. 2024-1 (PUBLIC SERVICES), TO ESTABLISH AN APPROPRIATIONS LIMIT THEREFOR, TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN, AND TO SUBMIT THE ESTABLISHMENT OF AN APPROPRIATIONS LIMIT AND THE LEVY OF SPECIAL TAXES TO THE QUALIFIED ELECTORS THEREOF

WHEREAS, on July 24, 2024, the City Council adopted a resolution entitled “A Resolution of the City Council of the City of Coachella Declaring Its Intention to Establish a City of Coachella Community Facilities District No. 2024-1 (Public Services)” (the “Resolution of Intention”), stating its intention to form Community Facilities District No. 2024-1 (Public Services) (the “CFD”), of the City pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”) to finance certain services to serve the CFD (the “Services”);

WHEREAS, the Resolution of Intention, setting forth a description of the proposed boundaries of the CFD, Services to be financed by the CFD, including incidental expenses, and the rate and method of apportionment (the “Rate and Method”) of the special tax (the “Special Tax”) to be levied within the CFD to pay for the Services, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

WHEREAS, the Resolution of Intention set September 11, 2024, or as soon thereafter as practical, as the date for a public hearing on the establishment of the CFD, the extent of the CFD, the furnishing of the Services within the CFD, and the proposed Rate and Method;

WHEREAS, a notice of the public hearing to be held on September 11, 2024 was published in accordance with the Act;

WHEREAS, on this date, this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD;

WHEREAS, at the hearing all interested persons desiring to be heard for or against the establishment of the CFD, the extent of the CFD, the furnishing of the Services and the Rate and Method were heard and a full and fair hearing was held;

WHEREAS, at the hearing evidence was presented to this Council on such matters before it, including a special report (the “CFD Report”) as to the Services to be provided through the CFD and the costs thereof, a copy of which is on file with the City Clerk, and this Council, at the conclusion of said hearing, is fully advised in the premises;

WHEREAS, written protests with respect to the formation of the CFD, the furnishing of specified types of services and the Rate and Method have not been filed with the City Clerk by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or property owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the proposed special taxes; and

WHEREAS, the Special Tax proposed to be levied in the CFD to pay for the proposed services has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or the owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the special taxes.

WHEREAS, City Staff reviewed the proposed CFD formation and determined that forming the CFD and financing the Services, as described in Section 7 of this Resolution, does not constitute a project for purposes of the California Environmental Quality Act, commencing with Section 21000 of the California Public Resources Code and the California Environmental Quality Act Guidelines, Article 5 of Chapter 3 of Division 6 of Title 14 of the California Code of Regulations, (collectively “CEQA”). CEQA Guidelines Section 15378 specifically state that the term “project” for CEQA purposes does not include “continuing administrative or maintenance activities” or “[t]he creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.” (CEQA Guidelines §§ 15378 (b)(2) and (b)(4).)

WHEREAS, the CFD is intended to fund park maintenance, landscaping and lighting maintenance, drainage maintenance and street maintenance attributable to new growth within the City.

WHEREAS, in addition to the foregoing, because the project is a financing mechanism to fund ongoing administrative and maintenance operations, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and therefore is exempt from CEQA’s provisions. (CEQA Guidelines §15061(b)(3).)

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF COACHELLA AS FOLLOWS:

1. Recitals Correct. The foregoing recitals are true and correct.
2. Public Hearing. On this date, pursuant to notice thereof duly given as provided by law, the City Council held a public hearing with respect to the establishment of the CFD and the annual levying of the Special Tax within the CFD to pay for the Services.
3. No Majority Protest. The proposed Special Tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.
4. Prior Proceedings Valid. All prior proceedings taken by this City Council in connection with the establishment of the CFD and the levy of the Special Tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.
5. Name of the District. The community facilities district designated “City of Coachella Community Facilities District No. 2024-1 (Public Services)” of the City is hereby established pursuant to the Act.
6. Boundaries of the District. The Resolution of Intention provides the boundaries of the territory proposed for inclusion in the CFD, as set forth in the map of the CFD heretofore recorded in the Riverside County Recorder’s Office on August 2, 2024, in Book 93 at Page 74 as Recording Reference No. 2024-0230987 of Maps of Assessment and Community Facilities Districts.

7. Description of Services. The Services proposed to be financed by the CFD and pursuant to the Act shall consist of those items shown in Exhibit “A” hereto and by this reference incorporated herein.

8. Special Tax.

a. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a Special Tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this Council.

b. The proposed Rate and Method, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, is shown in Exhibit “B” attached hereto and hereby incorporated herein.

9. CFD Report. The CFD Report is hereby approved and is made a part of the record of the public hearing regarding the formation of the CFD, and is ordered to be kept on file with the City Clerk as part of the transcript of these proceedings.

10. Increased Demands. It is hereby found and determined that the Services are necessary to meet increased demands placed upon the City, as the result of development occurring in the CFD.

11. Responsible Official. The Public Works Director, or his or her designee, of the City of Coachella, located at 53990 Enterprise Way, Coachella, CA, 92236, telephone number (760) 501-8111, is the officer of the City who will be responsible for preparing annually a current roll of the levy of the Special Tax obligations by assessor’s parcel number and who will be responsible for estimating future levies of the Special Tax.

12. Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the Special Tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the Special Tax by the CFD ceases.

13. Description of Voting Procedures. The voting procedures to be followed in conducting the special election (the “Special Election”) on the proposition of the annual levy of the Special Tax and on the proposition to establish an appropriations limit for the CFD, if the CFD is established, shall be as follows:

a. If at least 12 persons have been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the public or protest hearing (the “protest hearing”), the vote in the Special Election shall be by the registered voters of the CFD with each voter having one vote. In that event, the Special Election shall be conducted by the City Clerk, and shall be held on a date selected by the City Council in conformance with the provisions of Section 53326 of the Act and pursuant to the provisions of the California Elections Code governing elections of cities, insofar as they may be applicable, and pursuant to said Section 53326 the ballots for the Special Election shall be distributed to the qualified electors of the CFD by mail with return postage prepaid or by personal service, and the Special Election shall be conducted as a mail ballot election.

b. If 12 persons have not been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the protest hearing, the vote in the Special Election is to be by the landowners of the CFD, with each landowner of record at the close of the protest hearing having one vote for each acre or portion of an acre of land that he or she owns within the CFD, the Special Election shall be conducted by the City Clerk pursuant to Section 53326 of the Act as follows:

(i) The Special Election shall be held on the earliest date, following the adoption by the City Council of this Resolution and a resolution calling the Special Election, to submit to the qualified electors of the CFD the propositions with respect to: (i) the levy of Special Tax to finance the Services and (ii) the establishment of an appropriations limit for the CFD.

(ii) Pursuant to said Section 53326, the Special Election may be held earlier than 90 days following the close of the protest hearing if the qualified electors of the CFD waive the time limits for conducting the elections set forth in said Section 53326 by unanimous written consent and the Clerk concurs in such earlier election date as shall be consented to by the qualified electors.

(iii) Pursuant to said Section 53326, ballots for the Special Election shall be distributed to the qualified electors by the Clerk by mail with return postage prepaid, or by personal service.

(iv) Pursuant to applicable sections of the California Elections Code governing the conduct of mail ballot elections of cities, the City Clerk shall mail (or deliver) to each qualified elector an official ballot and shall also mail to all such qualified electors a ballot pamphlet and instructions to voter, including a sample ballot identical in form to the official ballot but identified as a sample ballot, a return identification envelope with prepaid postage thereon addressed to the City Clerk for the return of voted official ballots, and a copy of this Resolution and the exhibits hereto; provided, however, that analysis and arguments regarding the ballot measure may be waived with the unanimous consent of all the landowners, and in such event a finding regarding such waivers shall be made in the resolution adopted by the City Council calling the Special Election.

(v) The official ballot to be mailed (or delivered) by the Clerk to each landowner shall have printed or typed thereon the name of the landowner and the number of votes to be voted by the landowner and shall have appended to it a certification to be signed by the person voting the official ballot which shall certify that the person signing the certification is the person who voted the official ballot, and if the landowner is other than a natural person, that he or she is an officer of or other person affiliated with the landowner entitled to vote such official ballot, that he or she has been authorized to vote such official ballot on behalf of the landowner, that in voting such official ballot it was his or her intent, as well as the intent of the landowner, to vote all votes to which the landowner is entitled based on its land ownership on the propositions set forth in the official ballot as marked thereon in the voting square opposite each such proposition, and further certifying as to the acreage of the landowner's land ownership within the CFD.

(vi) The return identification envelope delivered by the Clerk to each landowner shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address of the voter, (vi) the date of signing and place of execution of said declaration, and (vii) a notice that the envelope contains an official ballot and is to be opened only by the Clerk.

(vii) The instruction to voter form to be mailed by the Clerk to the landowners shall inform them that the official ballots shall be returned to the Clerk properly voted as provided thereon and with the certification appended thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted no later than 6:00 p.m. on the date of the Special Election, or immediately after the Resolution Calling the Special Election is adopted.

(viii) Upon receipt of the return identification envelopes, which are returned prior to the voting deadline on the date of the Special Election, the Clerk shall canvass the votes cast in the Special Election, and shall file a statement with the City Council as to the results of such canvass and the election on each proposition set forth in the official ballot.

14. Annexation Territory. Other property within the boundaries of the City may be annexed into the CFD pursuant to Article 3.5 of the Act.

15. Exempt Property. Except as provided in Section 53340.1 of the Act and except for properties that a local agency is a landowner of within the meaning of subdivision (f) of Section 53317 of the Act, pursuant to Section 53340 of the Act, properties of entities of the state, federal and local governments shall be exempt from the levy of the Special Tax. Reference is hereby made to the Rate and Method for a description of other properties or entities that are expressly exempted from the levy of the Special Tax.

16. Appropriations Limit. An appropriations limit for the CFD is hereby established, subject to voter approval, as an amount equal to all the proceeds of the Special Tax collected annually within such CFD and as defined by Article XIIB of the California Constitution, as adjusted for changes in the cost of living and changes in population.

17. Special Tax Accountability Measures. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council hereby establishes the following accountability measures pertaining to the levy by the CFD of the Special Tax described in Section 8 above:

a. The Special Tax shall be levied for the specific purposes set forth in Section 7 hereof.

b. The proceeds of the levy of the Special Tax shall be applied only to the specific purposes set forth in Section 7 hereof.

c. The CFD shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

d. The Public Works Director, or his or her designee, acting for and on behalf of the CFD, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

18. CEQA. The City Council hereby finds that the CFD formation involves creation of a funding mechanism for certain ongoing service and maintenance activities that do not have any potential for significantly impacting the environment. Further, the City Council hereby finds that it can be seen with certainty that the proposed financing mechanism and services funded thereby have no possibility of resulting in a significant effect on the environment. Therefore, the City

Council, in its independent judgment, finds that the project is exempt from CEQA, and hereby directs City Staff to prepare and file a Notice of Exemption with the County Clerk within five days of adoption of this Resolution pursuant to Section 21152 of the California Public Resources Code and Section 15062 of the CEQA Guidelines.

19. Effective Date. This resolution shall take effect upon its adoption.

PASSED, APPROVED and ADOPTED this 11th day of September, 2024 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven Hernandez, Mayor
City of Coachella

ATTEST:

Angela M. Zepeda, City Clerk
City of Coachella

I hereby certify that the foregoing is a true and correct copy of a resolution, being Resolution No. **2024-XX**, duly passed and adopted at a meeting of the City Council of the City of Coachella, California, held on September 11, 2024.

Angela M. Zepeda, City Clerk
City of Coachella

APPROVED AS TO FORM:

Carlos L. Campos, City Attorney
City of Coachella

Exhibit A

City of Coachella Community Facilities District No. 2024-1 (Public Services) Description of Services

It is the intention of this City Council to finance certain services described below (the “Services”). The City Council hereby finds that the Services are in addition to those provided in the territory within the CFD prior to the establishment of the CFD and that such Services will not supplant services already available within that territory. A general description of the services to be provided is as follows:

Landscaping and Lighting Maintenance: includes the labor, material, administration, personnel, equipment and utilities (i.e., water and power) necessary to maintain public landscaping and lighting improvements for, within, or associated with the CFD, including trees, turf, ground cover, shrubs, weed removal, irrigation systems, sidewalk, drainage facilities, lighting, signs, monuments, graffiti removal, walkways, and associated appurtenant facilities located within, or associated with, the CFD.

Park Maintenance: includes the estimated and reasonable costs of providing public park maintenance for, within, or associated with the CFD, including but not limited to (i) the costs of contracting for park maintenance services, including trees, plant material, restrooms, irrigation systems, sidewalks, drainage facilities, weed control, lighting, and parking lot maintenance, (ii) the salaries and benefits of City staff, including maintenance staff, that directly provide park maintenance services, (iii) the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) utility costs such as water, sewer, lighting and power and (v) City overhead costs associated with providing such services.

Drainage Maintenance: includes the labor, material, testing, reporting, remediation, permitting, general administration, personnel, equipment and utilities necessary to maintain public drainage improvements for, within, or associated with the CFD, including drain inlets, filters, detention basin, storm drain pipeline, and associated appurtenant facilities located within, or associated with, the CFD.

Street Maintenance: includes the labor, material, administration, personnel, equipment and utilities necessary to maintain public streets, streetlights and associated appurtenant facilities for, within, or associated with the CFD, including City overhead costs associated with providing such services within the CFD.

The cost of the Services shall include incidental expenses, including, but not limited to, the costs associated with forming the CFD, determination of the amount of the Special Taxes, collection of the Special Taxes, payment of the Special Taxes, and costs incurred in order to carry out the authorized purposes of the CFD.

All Services shall be provided by the City of Coachella, with its own forces or by contract with third parties, or any combination thereof, to be determined entirely by the City of Coachella.

Nothing in this description of Services or any Resolution of the City Council shall be construed as committing the City or the CFD to provide all of the authorized Services. The provision of Services shall be subject to the successful formation of the CFD and the availability of sufficient proceeds of special taxes within the CFD. The City may annually prioritize, at its discretion, the authorized Services that would be funded and the amount of the special tax proceeds that it will use for each Service.

Exhibit B

City of Coachella Community Facilities District No. 2024-1 (Public Services) Rate and Method of Apportionment

A Special Tax of City of Coachella Community Facilities District No. 2024-1 (Public Services) (“CFD”) shall be levied on all Assessor's Parcels within the CFD and collected each Fiscal Year commencing in Fiscal Year 2024/25 in an amount determined by the Special Tax Administrator through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Act**” means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended.

“**Administrative Expenses**” means the following actual or reasonably estimated costs incurred by the City as administrator of the CFD, provided that such costs are directly related to administration of the CFD: costs to determine, levy and collect the Special Taxes, including an allocable share of the salaries and benefits of City employees, the fees of consultants, and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls, including any charges levied by County departments; and the preparation of required reports and any other costs required to administer the CFD in accordance with the Act, as determined by the City.

“**Affordable Housing**” means for each Fiscal Year, any Residential Unit(s) located on an Assessor’s Parcel of Developed Property that is available at an affordable housing cost due to a regulatory agreement of no less than 15 years, restricting 100% of the Residential Unit(s) on the Assessor’s Parcel of Developed Property to be affordable to households that are extremely low to low income, as defined in Health and Safety Code Section 50079.5. The City will have the authority to approve and establish policies regarding Affordable Housing and their status.

“**Annual Escalation Factor**” means the greater of (i) two percent (2%) or (ii) the Annual percentage increase in the Consumer Price Index for All Urban Consumers for Riverside-San Bernardino-Ontario, CA Area (not seasonally adjusted) as determined by the Bureau of Labor Statistics. If said index is discontinued, then an alternative index may be used as determined by the Special Tax Administrator.

“**Assessor's Parcel**” means a Lot or parcel of land shown on an Assessor's Parcel Map with a parcel number assigned by the Assessor of the County that corresponds to a number shown on the County Assessor’s roll.

“**Assessor's Parcel Map**” means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

“Attached Residential” means an Assessor’s Parcel of Developed Property, which is not Affordable Housing Property, within the CFD for which a Building Permit has been issued for purposes of constructing a residential structure or structures sharing common walls and/or common spaces, qualified as Attached Residential at the City’s discretion, consisting of two or more Dwelling Units, including, but not limited to duplexes, triplexes, and apartment units, as of June 30th preceding the Fiscal Year in which the Special Tax is being levied.

“Base Year” means Fiscal Year ending June 30, 2025.

“Building Permit” means a permit issued for new construction of a residential or non-residential structure. For purposes of this definition, “Building Permit” shall not include permits issued solely for grading, utility improvements, or other such improvements that are constructed and installed and are not intended for human occupancy.

“CFD” means City of Coachella Community Facilities District No. 2024-1 (Public Services).

“City” means the City of Coachella.

“City Clerk” means the City Clerk for the City or his or her designee.

“Council” means the City Council of the City, acting as the legislative body of the CFD.

“County” means the County of Riverside, California.

“Detached Residential” means an Assessors’ Parcel of Developed Property within the CFD, which is not Affordable Housing Property, for which a Building Permit has been issued for purposes of constructing a residential structure consisting of one single-family detached Dwelling Unit, including Mobile Homes, as of June 30th preceding the Fiscal Year in which the Special Tax is being levied.

“Developed Property” means, for Detached Residential, Attached Residential, or Affordable Housing Property, an Assessor’s Parcel within the CFD for which a Building Permit was issued on or prior to June 30th preceding the Fiscal Year in which the Special Tax is being levied, based on the number of Dwelling Units or Building Square Footage, as applicable, per City or County records for that Assessor’s Parcel.

“Drainage Maintenance Requirement” means for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing the labor, material, testing, reporting, remediation, permitting, general administration, personnel, equipment and utilities necessary to maintain public drainage improvements for, within, or associated with the CFD, including drain inlets, filters, detention basin, storm drain pipeline, and associated appurtenant facilities located within, or associated with, the CFD.

“Dwelling Unit” means each separate residential unit that comprises an independent facility capable of conveyance or rental separate from adjacent residential units, in which a person or persons may live, which comprises an independent facility and is not considered to be for non-residential use only, and as defined in the City of Coachella's Municipal Code.

“Exempt Property” means for each Fiscal Year, an Assessor's Parcel within the CFD not subject to the Special Tax. Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor’s Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement such as railroad parcels, roads and landscape lots, (iv) property reasonably designated by the City or Special Tax Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors that may make development of such property impractical for human occupancy, and (v) Welfare Exemption Property.

“Final Map” means an Assessor’s Parcel Map, a Final Subdivision Map, parcel map, condominium plan, or any other map functionally considered to be an equivalent development map that has been recorded in the Office of the County Recorder.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Landscaping and Lighting Maintenance Requirement” means for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing landscaping and lighting maintenance within, or associated with the CFD, including the labor, material, administration, personnel, equipment and utilities (i.e., water and power) necessary to maintain public landscaping and lighting improvements for, within, or associated with the CFD, including trees, turf, ground cover, shrubs, weed removal, irrigation systems, sidewalk, drainage facilities, lighting, signs, monuments, graffiti removal, walkways, and associated appurtenant facilities located within, or associated with, the CFD.

“Land Use Class” means any of the classes listed in Table 1 and defined herein.

“Lot” means an individual legal lot created by an Assessor’s Parcel Map or Final Map.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C below, that can be levied by the CFD in any Fiscal Year on any Assessor’s Parcel.

“Mobile Home” means a vehicle designed and equipped for human habitation as defined by the California Health & Safety Code § 18008.

“Park” means a public park, open space, trail, dog park dedicated to and/or managed by the City of Coachella.

“Park Maintenance Requirement” means, for any Fiscal means, for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing park maintenance services within, or associated with the CFD, including but not limited to (i) the costs of contracting for park maintenance services, including trees, plant material, restrooms, irrigation systems, sidewalks, drainage facilities, weed control, lighting, and parking lot maintenance, (ii) the salaries and benefits of City staff, including maintenance staff, that directly provide park maintenance services, (iii) the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) utility costs such as water, sewer, lighting and power and (v) City overhead costs associated with providing such services.

“Property Owner Association Property” means, for each Fiscal Year, any property within the CFD that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder, to a property owner association, including any master or sub-association, which consists of property owned in common by owners of surrounding properties and it is intended for use for community purposes.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied per Assessor’s Parcel of Developed Property to the Maximum Special Tax per Assessor’s Parcel of Developed Property is equal for all Assessor’s Parcels of Developed Property. **“Proportionately”** means, for Undeveloped Property, that the ratio of the actual Special Tax levied per Assessor’s Parcel of Undeveloped Property to the Maximum Special Tax per Assessor’s Parcel of Undeveloped Property is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means, in any Fiscal Year: (i) all Parcels within the boundaries of the CFD that are owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that Taxable City Property shall not be categorized as Public Property, and any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; and (ii) all Parcels within the boundaries of the CFD that are encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Reserve Fund” means a fund that shall be created and maintained for the CFD for each Fiscal Year to provide necessary cash flow to cover maintenance and operational cost overruns, and delinquencies in the payment of Special Taxes.

“Special Tax” means the Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections C and D, below.

“Special Tax Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“Special Tax Requirement” means the sum of (i) Streetscape and Landscape Maintenance Requirement, (ii) Administrative Expenses of the CFD, and (iii) any amounts required to establish or replenish a Reserve Fund for that Fiscal Year.

“State” means the State of California.

“Street Maintenance Requirement” means, for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing the labor, material, administration, personnel, equipment and utilities necessary to maintain public streets, streetlights and associated appurtenant facilities for, within, or associated with the CFD, including City overhead costs associated with providing such services within the CFD.

“Streetscape and Landscape Maintenance Requirement” means the sum of the Landscaping and Lighting Maintenance Requirement, the Park Maintenance Requirement, the Street Maintenance Requirement, and the Drainage Maintenance Requirement.

“Taxable Property” means all Assessor’s Parcels of Developed Property and Undeveloped Property within the CFD that are not Exempt from the Special Tax pursuant to law or as defined herein.

“Undeveloped Property” means, for each Fiscal Year, an Assessor’s Parcel within the CFD for which a Building Permit has not been issued on or prior to June 30th preceding the Fiscal Year in which the Special Tax is being levied and is not classified as Exempt Property.

“Welfare Exemption Property” means, in any Fiscal Year, any Parcels that have received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code and for which such welfare exemption is still in place.

B. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, commencing with Fiscal Year 2024/25, using the definitions above, each Assessor’s Parcel within the CFD shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, beginning with Fiscal Year 2024/25, Taxable Property shall be further classified as Attached Residential, Detached Residential, Affordable Housing Property, or Undeveloped Property.

C. MAXIMUM SPECIAL TAX RATES

Land Use Class	Land Use Description	Fiscal Year 2024/25 Maximum Special Tax Rate
1	Detached Residential	\$655 per Dwelling Unit
2	Attached Residential	\$524 per Dwelling Unit
3	Affordable Housing Property	\$306 per Dwelling Unit
4	Undeveloped Property	\$4,247 per Lot acre

For each Fiscal Year following the Base Year, the Maximum Special Tax rates shall be increased by the Annual Escalation Factor. A different Maximum Special Tax may be added to the CFD as a result of future annexations or if future annexations involve a new Land Use Class.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2024/25, and for each subsequent Fiscal Year, the Special Tax Administrator shall calculate the Special Tax Requirement based on the definitions in Section A and levy the Special Tax as follows until the amount of the Special Tax levied equals the Special Tax Requirement:

Step 1: The Special Tax shall be Proportionately levied each Fiscal Year on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax to meet the Special Tax Requirement. The applicable Maximum Special Tax shall be based on the Developed Property's classification as Detached Residential, Attached Residential, or Affordable Housing Property.

Step 2: If after applying the method of apportionment in Step 1, if additional funds are needed to satisfy the Special Tax Requirement, the Special Tax shall be Proportionately levied each Fiscal Year on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax to meet the remainder of the Special Tax Requirement needed. The applicable Maximum Special Tax shall be based on the Undeveloped Property's classification.

E. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section A.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section A, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Sections B, C, and D.

F. APPEALS

Any landowner who pays the Special Tax and believes that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the Special Tax Administrator regarding such error. If following such consultation, the Special Tax Administrator determines that an error has occurred, the Special Tax Administrator may amend the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, the landowner believes such error still exists, such person may file a written notice with the City Clerk of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. Upon the receipt of any such written notice, the City Clerk shall forward a copy of such notice to the City Public Works Director, who shall either (1) refer the matter to the City's existing hearing board for administrative appeals; or (2) establish as part of the proceedings and administration of the CFD, a special three-member Review/Appeal Committee. The Review/Appeal Committee may establish such procedures, as it deems necessary to undertake the review of any such appeal. The hearing board or Review/Appeal Committee shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any landowner appeals, as herein specified. The decision of the hearing board or Review/Appeal Committee shall be final and binding to all persons.

G. MANNER OF COLLECTION

Special Taxes levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided however that (i) the CFD may directly bill the Special Tax, and (ii) the CFD may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the City Council.

H. TERM OF SPECIAL TAX

Taxable Property in the CFD shall remain subject to the Special Tax in perpetuity or until the City Council takes appropriate actions to terminate the Special Tax pursuant to the Act.