

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS
 DATE: 6/2/16

Departmental Concurrence

**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

917



FROM: TLMA- Transportation Department

SUBMITTAL DATE:
 June 9, 2016

SUBJECT: Resolution of Intention to establish proposed maintenance only Community Facilities District to be named Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside to be administered by TLMA Transportation Dept. (Lake Hills Area), District 1 [\$136,108 Ongoing Cost]; CFD 16-1M TR36390 (Citrus Heights) – 100%

RECOMMENDED MOTION: That the Board of Supervisors adopt the following Resolution:

1. Resolution No. 2016-127 a Resolution of the Board of Supervisors of the County of Riverside of Intention to Establish a Community Facilities District ("CFD") and To Authorize the Levy of Special Taxes and Setting the Date and Time For A Public Hearing Thereon; and
2. Set a public hearing concerning the establishment of CFD No. 16-1M TR36390 (Citrus Heights) for 9:30 a.m. on July 26, 2016; and direct the Clerk of the Board to publish notice of the public hearing in accordance with California Government Code Section 53322.

Patricia Romo
 Assistant Director of Transportation

Juan C. Perez
 Director of Transportation and Land Management

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year: 17/16	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	FY 16/17 \$ 136,108	\$ 136,108	\$ N/A	\$ 136,108	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS CFD 16-1M TR36390 (Citrus Heights) (100%) There are no General Funds used in this project.	Budget Adjustment:	N/A
	For Fiscal Year:	16/17

C.E.O. RECOMMENDATION:

APPROVE

BY:
 Tina Grande

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: | District: 1 | Agenda Number:

3-75

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Resolution of Intention to establish proposed maintenance only Community Facilities District to be named Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside to be administered by TLMA Transportation Dept. (Lake Hills Area), District 1 [\$136,108 Ongoing Cost]; CFD 16-1M TR36390 (Citrus Heights) – 100%

DATE: June 9, 2016

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BACKGROUND:

Summary

The State legislature enacted the Mello-Roos Act of 1982 to assist public agencies in financing certain public services and maintenance requirements. On January 27, 2015, the Board of Supervisors revised Board Policy B-12 entitled "Land Secured Financing Districts" to include "Service and Maintenance CFDs" to fund the ongoing maintenance of landscape, storm water Best Management Practices (BMP), street lighting, or other similar improvements and set goals and policies concerning Community Facilities Districts (CFD). Lennar Homes is the Developer of Tract No. 36390 and petitioned that the County of Riverside Transportation Department (Transportation Department) assist them in forming a district for the County of Riverside (County) to cover the costs associated with the maintenance of public improvements within the proposed district and has submitted an application and formation deposit. The formation of this District is in lieu of forming a Lighting and Maintenance District 89-1 Consolidated Landscaping Zone. A special tax is proposed to be levied on each individual parcel located within the boundary of the proposed CFD to fund the costs associated with services for street lights maintenance including energy charges, operation, maintenance, and administrative costs of streetlights, landscape maintenance, including streetscape areas, which may include, but is not limited to, all landscaping materials such as, ground cover, shrub, trees, plants, irrigation, trash removal, weed control, water costs, and other abatements, electricity, repair/replacement and inspection.

Approval of proposed Resolution No. 2016-127 by the Board of Supervisors is the initial step for forming the CFD and declares the intention of the Board of Supervisors, as required by the Mello-Roos Act of 1982, to levy a special tax to fund the service and maintenance functions requested by the Developer. The Resolution also requires the Board of Supervisors to hold a public hearing and submit the formation of the proposed CFD No. 16-1M TR36390 (Citrus Heights) to the landowners at a special election to be conducted by mailed ballot if a majority protest does not occur. Each new CFD is created for a specific development or developments when similar facilities are requested to be maintained by the County. A special tax is levied according to a Rate and Method of Apportionment (RMA) developed to the specific features within that District, and then annually placed on the tax roll for each Assessor Parcel Number (APN) noted in the Proposed Boundary Map, both attached herein.

On May 17, 2016, the Board of Supervisors approved the Final Map for Tract 36390 as Agenda Item 2-7. The property owner (Lennar Homes of California, Inc.) of Tract Map No. 36390 (Citrus Heights) has petitioned the County to include their property into proposed Community Facilities District No.16-1M TR36390 (Citrus Heights). The boundaries of CFD No. 16-1M TR36390 (Citrus Heights) will encompass the entire Tract Map No. 36390 which includes 343 single family dwelling units, none of which are currently occupied.

Reference

The CFD Rate and Method of Apportionment (RMA) are consistent with the Mello-Roos Act of 1982. In November 1996, California voters passed Proposition 218, Right to Vote on Taxes Act which added Articles XIII C and XIII D to the California Constitution. The County may levy special taxes within this proposed CFD after complying with the requirements of the Mello-Roos Act of 1982 and the provisions of Proposition 218 Right to Vote on Taxes Act. The formation of the proposed CFD adheres to Board Policy B-12 entitled "Land Secured Financing Districts" which was revised on January 27, 2015, to include "Service and Maintenance CFDs" to fund the ongoing maintenance of landscape, storm water, street lighting or other similar improvements and set goals and policies concerning CFDs.

Impact on Residents and Businesses

Only the parcels with APN's within the proposed boundaries of the CFD which are represented by the proposed Boundary Map (inclusive of Tract 36390) are impacted by the proposed special tax. By setting up this mechanism for the maintenance of certain infrastructure required by the development, the County requires that the development pay for its maintenance impact, rather than the obligation falling upon declining public funding

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Resolution of Intention to establish proposed maintenance only Community Facilities District to be named Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside to be administered by TLMA Transportation Dept. (Lake Hills Area), District 1 [\$136,108 Ongoing Cost]; CFD 16-1M TR36390 (Citrus Heights) – 100%

DATE: June 9, 2016

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sources. By specifically collecting and using the special tax revenue within the boundary of the proposed CFD, there is a financial mechanism in place to insure the infrastructure is maintained. This CFD does not propose to fund the repayment of any bonds or bond obligations and is solely for the purposes of funding Developer installed and County required infrastructure, particularly landscaping and streetlights. The Developer shall and is obligated to provide disclosure statements to potential buyers which outline the associated tax rate of a new home.

SUPPLEMENTAL:

Additional Fiscal Information

The proposed budget of \$136,108 for fiscal year 2016-17, as reflected in the Rate and Method of Apportionment, will result in a special tax of \$396.80 per taxable parcel. The annual special tax may be increased by the minimum of 2%, or a maximum of 6%, or by the cumulative percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U), as it stands as of March of each year over the base index for March of 2016.

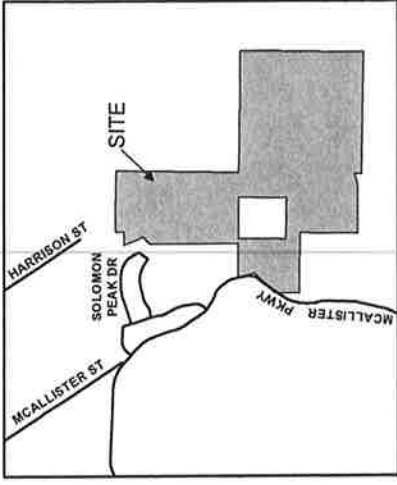
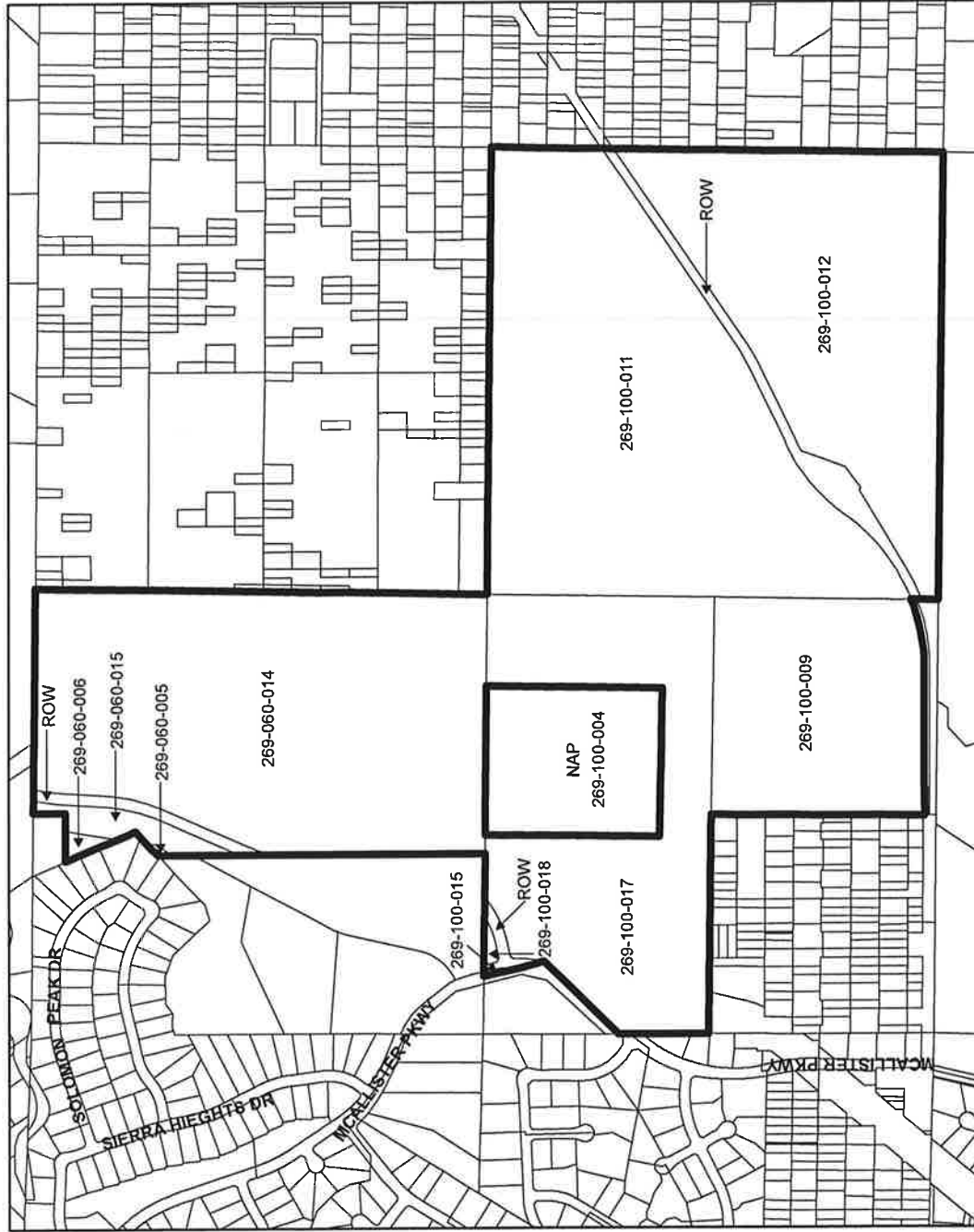
Contract History and Price Reasonableness

N/A

ATTACHMENTS:

Vicinity Map/Proposed Boundary Map
Resolution No. 2016-127 with Exhibit A and B

PROPOSED BOUNDARY COMMUNITY FACILITIES DISTRICT 16-1M TR36390 (CITRUS HEIGHTS) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



VICINITY MAP

Legend

-  PROPOSED BOUNDARY
-  ROW = NOT A PART (RIGHT-OF-WAY)
-  NAP = NOT A PART

ASSESSOR PARCEL NUMBERS LOCATED WITHIN
PROPOSED BOUNDARIES OF CFD 16-1M TR36390
(CITRUS HEIGHTS) AS OF FISCAL YEAR 2015-2016:

- 269-060-005
- 269-060-006
- 269-060-014
- 269-060-015
- 269-100-009
- 269-100-011
- 269-100-012
- 269-100-015
- 269-100-017
- 269-100-018



2 RESOLUTION NO. 2016-127

3 RESOLUTION OF THE BOARD OF SUPERVISORS OF
4 THE COUNTY OF RIVERSIDE OF INTENTION TO
5 ESTABLISH A COMMUNITY FACILITIES DISTRICT AND
6 TO AUTHORIZE THE LEVY OF SPECIAL TAXES AND
7 SETTING A DATE AND TIME FOR A PUBLIC HEARING
8 THEREON

9 WHEREAS, a community facilities district may be established under the Mello-Roos
10 Community Facilities Act of 1982 (the "Act") in order to finance certain public capital facilities
11 and services;

12 WHEREAS, proceedings for the establishment of a community facilities district under
13 the Act may be instituted following the receipt of a petition by the landowners of at least 10% of
14 the area of land proposed to be included within the territory of the community facilities district (a
15 "Qualifying Petition") and the furnishing of a deposit by the petitioners pursuant to Section
16 53318(d) of the Act ("Deposit");

17 WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of
18 Riverside (the "County") constitutes the legislative body of a local agency for purposes of the
19 Act; and

20 WHEREAS, the Board of Supervisors has received both a Qualifying Petition and the
21 Deposit pursuant to the Act and therefore institutes proceedings to establish a community
22 facilities district (the "Community Facilities District") and to authorize the levy of special taxes
23 therein in order to finance certain services related to street lighting and landscape maintenance.

24 NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF
25 RIVERSIDE, in regular session assembled on June 21, 2016, does hereby resolve, find,
26 determine and order as follows:

27 Section 1. The Board of Supervisors proposes to establish a community facilities district
28 under the terms of the Act. The boundaries of the territory proposed for inclusion in the
Community Facilities District are described in the map showing the proposed Community
Facilities District (the "Boundary Map") on file with the Clerk to the Board of Supervisors (the

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner DATE: 5/31/16
DALE A. GARDNER

1 “Clerk”), which boundaries are hereby preliminarily approved and to which map reference is
2 hereby made for further particulars. The Clerk is hereby directed to sign the original Boundary
3 Map and record, or cause to be recorded, the Boundary Map with all proper endorsements thereon
4 in the office of the Riverside County Recorder within 15 days of the date of adoption of this
5 Resolution, all as required by Section 3111 of the California Streets and Highways Code.

6 **Section 2.** The name proposed for the Community Facilities District is “Community
7 Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside.”

8 **Section 3.** The services (the “Services”) proposed to be financed by the Community
9 Facilities District pursuant to the Act are described as maintenance and lighting of streets, roads,
10 parkways and open space as reflected in Exhibit A.

11 **Section 4.** Except where funds are otherwise available, a special tax sufficient to pay for
12 all Services, secured by recordation of a continuing lien against all nonexempt real property in the
13 Community Facilities District, will be annually levied within the Community Facilities District.
14 The rate and method of apportionment of the special tax (the “Rate and Method”), in sufficient
15 detail to allow each landowner within the proposed Community Facilities District to estimate the
16 maximum amount that he or she will have to pay, is described in Exhibit B attached hereto, which
17 is by this reference incorporated herein. The special tax will be collected in the same manner as
18 ordinary *ad valorem* property taxes or in such other manner as the Board of Supervisors shall
19 determine, including direct billing of the affected property owners.

20 The special tax shall be levied annually until terminated by the Board of Supervisors as
21 specified in the Rate and Method.

22 **Section 5.** The Board of Supervisors hereby fixes July 26, 2016, at 9:30 a.m., or as soon
23 thereafter as the Board of Supervisors may reach the matter, at the Board of Supervisors
24 Chambers, 4080 Lemon Street, 1st Floor, Riverside, California, as the time and place when and
25 where the Board of Supervisors will conduct a public hearing on the establishment of the
26 Community Facilities District and the levy of the special tax therein.

27 **Section 6.** The Clerk is hereby directed to publish, or cause to be published, a notice of
28 said public hearing, as prepared and approved by County Counsel, one time in *The Press-*

1 *Enterprise*, a newspaper of general circulation published in the area of the Community Facilities
2 District. The publication of said notice shall be completed at least seven days prior to the date
3 herein fixed for said hearing. Said notice shall contain the information prescribed by Section
4 53322 of the Government Code.

5 The Clerk is hereby further directed to give notice of said public hearing, as prepared and
6 approved by County Counsel, by first-class mail to each registered voter and to each landowner
7 within the Community Facilities District. Said notice shall be mailed at least 15 days prior to the
8 date of said hearing and shall contain the same information as is required to be contained in the
9 notice published pursuant to Section 53322 of the Government Code.

10 **Section 7.** The levy of said proposed special tax shall be subject to the approval of the
11 qualified electors of the Community Facilities District at a special election. The proposed voting
12 procedure shall be by mailed or hand-delivered ballot among the landowners in the Community
13 Facilities District, with each owner having one vote for each acre or portion of an acre such
14 owner owns in the Community Facilities District.

15 **Section 8.** Each officer of the County who is or will be responsible for providing one or
16 more of the proposed types of Services is hereby directed to study, or cause to be studied, the
17 proposed Community Facilities District and, at or before said public hearing, file a report with the
18 Board of Supervisors containing a brief description of the Services by type which will in his or
19 her opinion be required to adequately meet the needs of the Community Facilities District, and his
20 or her estimate of the cost of providing the Services. Such officers are hereby also directed to
21 estimate the fair and reasonable cost of the incidental expenses proposed to be paid. Such report
22 shall be made a part of the record of said public hearing.

23 **Section 9.** In the opinion of the Board of Supervisors, the public interest will not be
24 served by allowing the property owners within the proposed Community Facilities District to
25 enter into a contract in accordance with subdivision (a) of Section 53329.5 of the Government
26 Code and, accordingly, the Board of Supervisors hereby provides that such property owners may
27 not enter into a contract in accordance with said subdivision.
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Section 10. The officers of the County are, and each of them is, hereby authorized and directed to do any and all things, and to execute and deliver any and all documents which said officers may deem necessary or advisable in order to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

ADOPTED, SIGNED AND APPROVED this 21st day of June, 2016, by the Board of Supervisors of the County of Riverside.

Chairman of the Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk to the Board of Supervisors

By: _____
Deputy

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EXHIBIT A

SERVICES AND INCIDENTAL EXPENSES

Services

The types of services to be financed by the Community Facilities District are maintenance and lighting of streets, roads, parkways and open space, including but not limited to: interior and exterior street lighting, including maintenance and energy charges, operation, maintenance and administrative cost of streetlights within the Community Facilities District; and landscape maintenance, including streetscape, slopes, and open space areas within the Community Facilities District, including but not limited to, purchasing and planting landscaping materials such as turf, ground cover, shrub, trees, plants, irrigation and drainage systems, weed control and other abatements, electricity, repair/replacement and inspection.

Incidental Expenses

The incidental expenses proposed to be incurred include the following:

- (a) the costs associated with the creation of the Community Facilities District, determination of the amount of taxes, collection of taxes, including litigation expenses, if any, costs for processing payment of taxes, or other administrative costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (b) any other expenses incidental to the performance and inspection of the authorized Services.

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EXHIBIT B

PROPOSED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX



[See Attached __ Pages]

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
COMMUNITY FACILITIES DISTRICT 16-1M TR36390 (CITRUS HEIGHTS)
OF THE COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

A Special Tax (all capitalized terms are defined in Section A. Definitions, below) shall be applicable to each Parcel of Taxable Property located within the boundaries of Community Facilities District 16-1M TR36390 (Citrus Heights). The amount of Special Tax to be levied on a Parcel in each Fiscal Year, commencing in Fiscal Year 2016-2017, shall be determined by the Riverside County Board of Supervisors, acting in its capacity as the legislative body of the CFD by applying the appropriate Special Tax as set forth in Sections B., C., and D., below. All of the real property within the CFD, unless exempted by law or by the provisions of Section E. below, 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:

“Acre” or “Acreage” means the land area of a Parcel as indicated on the most recent Assessor’s Parcel Map, or if the land area is not shown on the Assessor’s Parcel Map, the land area shown on the applicable Final Map, condominium plan, or other recorded County map or the land area calculated to the reasonable satisfaction of the Administrator using the boundaries set forth on such map or plan. The square footage of a Parcel is equal to the Acreage of such Parcel multiplied by 43,560.

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

“Administrative Expenses” means all actual or reasonably estimated costs and expenses of the CFD that are chargeable or allocable to carry out the duties of the Administrator of the CFD as allowed by the Act, which shall include without limitation, all costs and expenses arising out of or resulting from the annual levy and collection of the Special Tax (whether by the County or designee thereof, or both), any litigation or appeal involving the CFD, and other administrative expenses of the County or designee thereof, or both, directly related to the CFD. Administrative Expenses shall also include amounts estimated or advanced by the County or CFD for attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

“Administrator” means an official of the County, or designee thereof, responsible for determining the annual amount of the levy and collection of the Special Taxes.

“Approved Property” means all Parcels of Taxable Property: (i) that are included in a Final Map that was recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax is being levied, and (ii) that have not been issued a Building Permit prior to the April 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Assessor” means the Assessor of the County.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating Parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means the number assigned to a lot or Parcel for purposes of identification as determined from an Assessor Parcel Map or the applicable assessment roll.

“Base Year” means the Fiscal Year ending June 30, 2017.

“Board” means Riverside County Board of Supervisors, acting in its capacity as the legislative body of the CFD.

“Boundary Map” means a recorded map of the CFD which indicates by a boundary line the extent of the territory identified to be subject to the levy of Special Taxes.

“Building Permit” means the first legal document issued by a local agency giving official permission for new construction. For purposes of this definition, Building Permit shall not include any subsequent Building Permits issued or changed after the first issuance.

“CFD” means Community Facilities District 16-1M TR36390 (Citrus Heights) of the County of Riverside.

“Consumer Price Index” means the cumulative percentage increase in the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles-Riverside-Orange County Area, as it stands in March of each year over the base Index of 2016. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the Administrator that is reasonably comparable to the Consumer Price Index for the Los Angeles-Riverside-Orange County Area.

“County” means the County of Riverside, California.

“Developed Property” means all Parcels of Taxable Property: (i) that are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a Building Permit for new construction has been issued prior to April 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Dwelling Unit” or “(D/U)” means a residential unit that is used or intended to be used as a domicile by one or more persons, as determined by the Administrator.

“Exempt Property” means any Parcel which is exempt from Special Taxes pursuant to Section E., below.

“Final Map” means a subdivision of property by recordation of a tract map, parcel

map or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

“Fiscal Year” means the 12 month period starting on July 1 of any calendar year and ending the following June 30.

“Land Use Class” means any of the classes listed in Table 1 of Section C. below.

“Maximum Special Tax” means for each Parcel in each Fiscal Year, the greatest amount of Special Tax, determined in accordance with Section C., below, which may be levied on such Parcel in such Fiscal Year.

“Multi-family Residential Property” means all Parcels of Developed Property that consist of a building or buildings comprised of attached Dwelling Units available for rental by the general public, not for sale to an end user, and under common management.

“Non-Residential Property” means all Parcels of Developed Property for which a Building Permit was issued, permitting the construction of one or more non-residential structures.

“Parcel” means a lot or parcel within the CFD shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number valid as of July 1st for the Fiscal Year for which the Special Tax is being levied.

“Property Owners Association Property” means all Parcels which have been conveyed, dedicated to, or irrevocably offered for dedication to a property owner association, including any master or sub-association, prior to April 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Proportionately” means for Parcels of Taxable Property that are (i) Developed Property, that the ratio of the actual Special Tax levy to Maximum Special Tax is the same for all Parcels of Developed Property, (ii) Approved Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is the same for all Parcels of Approved Property, and (iii) Undeveloped Property, Public Property or Property Owners Association Property, that the ratios of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is the same for all Parcels of Undeveloped Property, Public Property and Property Owners Association Property.

“Public Property” means all Parcels which, as of April 1st preceding the Fiscal Year in which the Special Tax is being levied, are (i) used for rights-of-way or any other purpose and is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State, the County, City or any other public agency, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Residential Property” means all Parcels of Developed Property for which a Building Permit has been issued permitting the construction of one or more residential Dwelling Units.

“Single Family Property” means all Parcels of Residential Property, other than **Multi-family Residential Property**.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D to fund the Special Tax Requirement.

“Special Tax Requirement” means for each Fiscal Year, that amount required to: (i) pay the estimated cost of Special Tax Services for such Fiscal Year as determined by the County; (ii) fund the Special Tax Reserve Fund in an amount equal to the lesser of (a) 20% of the Special Tax Reserve Fund Requirement or (b) the amount needed to fund the Special Tax Reserve Fund up to the Special Tax Reserve Fund Requirement, (iii) pay Administrative Expenses; (iv) pay for anticipated Special Tax delinquencies based on actual delinquencies from the prior Fiscal Year outstanding at the time the annual Special Tax levy is determined; and (v) less a credit for funds available to reduce the annual Special Tax levy as determined by the Administrator.

“Special Tax Reserve Fund” means a fund to be used for capital replacement and maintenance costs related to the Special Tax Services.

“Special Tax Reserve Fund Requirement” means an amount up to 150% of the anticipated annual cost of Special Tax Services of \$136,107.53 for the Base Year. The Special Tax Reserve Fund Requirement shall be increased annually, commencing July 1, 2017, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the amount in effect in the previous Fiscal Year.

“Special Tax Services” means: interior and exterior street lighting and landscape maintenance. Additionally, (i) street lights maintenance including energy charges, operation, maintenance, and administrative costs of streetlights within the CFD (ii) landscape maintenance to be financed, including streetscape, slopes, and open space areas specifically identified within the CFD. The landscape maintenance may include, but is not limited to, all landscaping materials such as turf, ground cover, shrub, trees, plants, irrigation and drainage systems, weed control and other abatements, electricity, repair/replacement and inspection.

“State” means the State of California.

“Taxable Property” means all Parcels within the boundary of the CFD pursuant to the Boundary Map which are not exempt from the Special Tax pursuant to Section E., below.

“Taxable Unit” means either a Dwelling Unit or an Acre, as shown in Table 1.

“Undeveloped Property” means all Parcels of Taxable Property not classified as Developed Property, Approved Property, Public Property or Property Owners Association Property.

B. ASSIGNMENT TO LAND USE CLASS

Each Fiscal Year, commencing with Fiscal Year 2016-2017, all Parcels of Taxable Property shall be classified as either Developed Property, Approved Property, Undeveloped Property, Public Property or Property Owners Association Property, and subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C. and D.

Parcels of Developed Property shall further be classified as Residential Property or Non-Residential Property. Parcels of Residential Property shall further be classified as Single Family Property or Multi-family Residential Property.

C. MAXIMUM SPECIAL TAX RATES

1. Developed Property

The Maximum Special Tax that may be levied and escalated, as explained further in Section C.1. (a) below, in each Fiscal Year for each Parcel classified as Developed Property shall be determined by reference to Table 1, below.

TABLE 1
Maximum Special Tax Rates for Developed
Property for Fiscal Year 2016-2017

Land Use Class	Description	Taxable Unit	Maximum Special Tax Per Taxable Unit
1	Single Family Property	D/U	\$396.80
2	Multi-family Residential Property	Acre	\$47.24
3	Non-Residential Property	Acre	\$47.24

(a) Increase in the Maximum Special Tax

On each July 1, following the Base Year, the Maximum Special Tax, identified in Table 1, above, shall be increased annually, commencing July 1, 2017, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the Maximum Special Tax in effect in the previous Fiscal Year.

(b) Multiple Land Use Classes

In some instances a Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax that may be levied on such Parcel shall be the sum of the Maximum Special Tax that can be levied for each Land Use Class located on that Parcel. For a Parcel that contains more than one Land Use Class, the Acreage of such Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Parcel. The Administrator's allocation to each Land Use Class shall be final.

2. Approved Property

The Maximum Special Tax for each Parcel of Approved Property shall be equal to the product of the applicable Undeveloped Property Maximum Special Tax per Acre times the Acreage of such Parcel; provided, however, for a Parcel of Approved Property that is expected to become Single Family Property as reasonably determined by the Administrator based on the Final Map for such Parcel, the Maximum Special Tax for such Parcel of Approved Property shall be calculated pursuant to Section C.1 as if such Parcel were already designated as Single Family Property.

The Maximum Special Tax for Approved Property shall be increased annually, commencing July 1, 2017, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum

annual increase of two percent (2%) of the corresponding Maximum Special Tax in effect in the previous Fiscal Year.

3. Undeveloped Property

The Maximum Special Tax that may be levied and escalated for each Parcel classified as Undeveloped Property shall be \$47.24 per Acre.

The Maximum Special Tax for Undeveloped Property shall be increased annually, commencing July 1, 2017, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the corresponding Maximum Special Tax in effect in the previous Fiscal Year.

4. Public Property and/or Property Owners Association Property

The Maximum Special Tax that may be levied and escalated for each Parcel classified as Public Property and/or Property Owners Association Property shall be \$0.00 per Acre. **There shall be no levy on Public Property and/or Property Owners Association Property.**

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2016-2017 and for each following Fiscal Year, the Administrator shall levy the Special Tax on all Taxable Property until the amount of Special Tax equals the Special Tax Requirement in accordance with the following steps:

First: The Special Tax shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Parcel of Approved Property at up to 100% of the Maximum Special Tax for Approved Property.

Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the applicable Maximum Special Tax for Undeveloped Property.

Notwithstanding the above, under no circumstances will the Special Taxes levied in any Fiscal Year against any Parcel of Residential Property for which a Certificate of Occupancy has been issued be increased by more than ten percent (10%) as a result of a delinquency in the payment of the Special Tax applicable to any other Parcel above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

E. EXEMPTIONS

The CFD shall not levy Special Taxes on Public Property or Property Owners Association Property within the CFD.

F. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD, and provided further that the CFD may covenant to foreclose and may actually foreclose on Parcels having delinquent Special Taxes as permitted by the Act.

G. APPEALS

Any taxpayer may file a written appeal of the Special Tax on his/her Parcel(s) with the Administrator, provided that the appellant is current in his/her payments of Special Taxes. During pendency of an appeal, all Special Taxes must be paid on or before the payment due date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The Administrator shall review the appeal, meet with the appellant if the Administrator deems necessary, and advise the appellant of its determination. If the Administrator agrees with the appellant, the Administrator shall grant a credit to eliminate or reduce future Special Taxes on the appellant's Parcel(s). No refunds of previously paid Special Taxes shall be made.

The Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual levy and administration of the Special Tax and any taxpayer who appeals, as herein specified.

H. TERM OF THE SPECIAL TAX

The Special Tax shall be levied annually in perpetuity unless terminated earlier by the County.

STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE) ss.

I, Kecia Harper-Ihem, Clerk of the Board of Supervisors of the County of Riverside, California, do hereby certify that the foregoing Resolution No. 2016-127 was duly adopted by the Board of Supervisors of said County at a meeting of said Board held on the 21st day of June, 2016, and that it was so adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____, Deputy
Clerk to the Board of Supervisors of the
County of Riverside

STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE) ss.

I, Kecia Harper-Ihem, Clerk of the Board of Supervisors of the County of Riverside, California, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 2016-127 of the Board of Supervisors of said County, and that the same has not been amended or repealed.

Dated: _____

_____, Deputy
Clerk to the Board of Supervisors of the
County of Riverside