

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

389



FROM: TLMA- Transportation Department

SUBMITTAL DATE:
August 11, 2016

SUBJECT: Receive and File the Statement of the Election Official, Adoption of a Resolution Declaring the results of a Consolidated Special Election, Introduction of Ordinance No. 930 authorizing the Levy of a Special Tax within the CFD (Lake Hills Area), (CEQA Exempt), District 1 [\$136,108 Ongoing Cost]; CFD 16 – 1M TR36390 – 100%

RECOMMENDED MOTION: That the Board of Supervisors:

1. With regard to the Formation of Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside, receive and file the Statement of the Election Official regarding the Canvass of the Election for the CFD;
2. Adopt Resolution No. 2016-166 a Resolution of the Board of Supervisors of the County of Riverside Declaring the Results of Consolidated Special Elections Within Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside;
3. Introduction of Ordinance No. 930, An Ordinance of the County of Riverside Authorizing the Levy of a Special Tax Within Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside; and

Patricia Romo
Patricia Romo
Director of Transportation

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ \$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*
Tina Grande

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

3)

On motion of Supervisor Washington, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended; and that ordinance 930 is approved as introduced with a waiver of reading.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: August 23, 2016
xc: Transp., Auditor, Recorder, COB

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 7/26/16, Item 9.3 | District: 1 | Agenda Number:

3-75

FORM APPROVED COUNTY COUNSEL
BY: GREGORY P. PRIAMOS
DATE: _____
Departmental Concurrence

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

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

FORM 11: Receive and File the Statement of the Election Official, Adoption of a Resolution Declaring the results of a Consolidated Special Election, Introduction of Ordinance No. 930 authorizing the Levy of a Special Tax within the CFD (Lake Hills Area), (CEQA Exempt), District 1 [\$136,108 Ongoing Cost]; CFD 16 – 1M TR36390 – 100%

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RECOMMENDED MOTION: (Continued)

4. Direct the Auditor-Controller's Office to establish a new Department Identification Number (DEPT ID#) 3139000000 for maintenance CFD projects and establish an interest-bearing sub-fund number 20600 to receive deposits and interest.

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 36390 and requested 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 district. The formation of this District is in lieu of forming a Lighting and Maintenance District 89-1 Consolidated Landscaping Zone. A special tax shall be levied on each individual parcel located within the boundary of the 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 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.

Each new CFD is created for a specific residential development or developments when 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 a special tax levy is annually placed on the tax roll for each Assessor Parcel Number (APN) noted in the CFD Boundary Map. The property owner (Lennar) of Tract Map No. 36390 has petitioned the County to include their property into 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.

On June 21, 2016 the County of Riverside Board of Supervisors approved agenda item 3.75. Resolution 2016-127, a resolution of intention as 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 Lennar. The Resolution also requires the Board of Supervisors 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.

On July 26, 2016 per agenda item 9.3, the County of Riverside Board of Supervisors held a public hearing to receive public comments and conduct a majority protest hearing. At the conclusion of the public hearing, the Board of Supervisors approved Resolution No. 2016-128 a Resolution of the Board of Supervisors of the County of Riverside of Formation of Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside, Authorizing the Levy of a Special Tax within Said District to Pay for Certain Landscaping and Street Lighting Services; Calling a Special Election to submit to the Respective Qualified Voters the Question of Levying Such Special Tax and Establishing an Appropriations Limit for Said District; and Designating the Election Official For Such Matters. Under the same agenda item, the required CFD report, Certificate of Registrar of Voters stating there are less than twelve (12) registered voters, and Concurrence of Election Official in Date of Special Election were all received and filed.

The attached Statement of the Election Official regarding the Canvass of the Election declares the election results which was 347 'YES' votes for Proposition 'A' and Proposition 'B' as described in Section 13 of Resolution 2016-128 (9.3 on 7/26/2016). Approval of Proposed Resolution No. 2016-166 a resolution of the

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

FORM 11: Receive and File the Statement of the Election Official, Adoption of a Resolution Declaring the results of a Consolidated Special Election, Introduction of Ordinance No. 930 authorizing the Levy of a Special Tax within the CFD (Lake Hills Area), (CEQA Exempt), District 1 [\$136,108 Ongoing Cost]; CFD 16 – 1M TR36390 – 100%

DATE: August 11, 2016

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Board of Supervisors of the County of Riverside will declare the results of the Consolidated Special Election within the boundary of Community Facilities District No. 16-1M TR36390 (Citrus Heights). Proposed County Ordinance No. 930 would authorize and levy special taxes within boundary of Community Facilities District No. 16-1M TR36390 (Citrus Heights).

Reference

The CFD Rate and Method of Apportionment (RMA) is 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 taxes for on this 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 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, or other similar improvements and set goals and policies concerning Community Facilities Districts (CFD).

Impact on Residents and Businesses

Only the parcels with Assessor Parcel Numbers (APN) within the boundaries of the CFD which are represented by the Recorded Boundary Map are impacted by the 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 public funding sources. By specifically collecting and using the special tax revenue within the boundary of the 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 the maintenance of 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 budget for fiscal year 2016-17, as reflected in the Rate and Method of Apportionment, will result in a tax of \$396.80 per a taxable parcel. The annual tax may be adjusted by the minimum of 2% or a maximum of 6% or the cumulative percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) in effect in the previous Fiscal Year, 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 (reference only)

Recorded CFD Boundary Map (reference only)

Statement of the Election Official regarding the Canvass of the Election for the CFD

Resolution No. 2016-166

Introduction of Ordinance No. 930

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3-75

(1)

On motion of Supervisor Benoit, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Transportation and Land Management Agency/ Transportation regarding Receive and File the Statement of the Election Official regarding the Canvass of the Election for the Formation of Community Facilities District No. 16-1M TR36390 (CFD 16-1M) (Citrus Heights); Adoption of Resolution No. 2016-166, Declaring the Results of Consolidated Special Elections within CFD No. 16-1M TR36390 (Citrus Heights); and INTRODUCTION OF ORDINANCE NO. 930, An Ordinance of the County of Riverside Authorizing the Levy of a Special Tax Within Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside, 1st District is approved as recommended.

(2)

On Motion of Supervisor Benoit, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter be reconsidered.

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on August 23, 2016 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: August 23, 2016
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By:  Deputy

AGENDA NO.
3-75

xc: Transp., Auditor, Recorder, COB

2
3 RESOLUTION NO. 2016-166

4
5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 DECLARING THE RESULTS OF CONSOLIDATED SPECIAL ELECTIONS WITHIN COMMUNITY
7 FACILITIES DISTRICT NO. 16-1M TR36390 (CITRUS HEIGHTS) OF THE COUNTY OF
8 RIVERSIDE

9
10 WHEREAS, on July 26, 2016 the Board of Supervisors (the "Board of Supervisors") of the
11 County of Riverside adopted Resolution No. 2016-128 forming Community Facilities District No. 16-1M
12 TR36390 (Citrus Heights) of the County of Riverside (the "Community Facilities District) and calling a
13 special election for submitting to the voters propositions with respect to the levy of an annual special tax
14 within the Community Facilities District and establishing an appropriations limit for the Community
15 Facilities District; and

16 WHEREAS, the Board of Supervisors has received a statement from the Director of the
17 Transportation and Land Management Agency, who was appointed to serve as the election official of the
18 election (the "Election Official") pursuant to Resolution No. 2016-128, with respect to the canvass of the
19 ballots returned in and the results of the consolidated special elections, certifying that more than two-
20 thirds of the votes cast upon the propositions submitted to the voters within the Community Facilities
21 District were cast in favor of the propositions.

22 NOW, THEREFORE, BE IT RESOLVED, FOUND AND ORDERED by the Board of
23 Supervisors of the County of Riverside, in regular session assembled on August 23, 2016, as follows:

24 Section 1. Findings. The Board of Supervisors finds that: (i) there were no persons
25 registered to vote within the boundaries of the Community Facilities District at the time of the close of the
26 public or protest hearing on July 26, 2016, and pursuant to Section 53326 of the California Government
27 Code ("Section 53326") the vote in the consolidated special elections for the Community Facilities
28 District was, therefore, to be by the landowners owning land within the Community Facilities District,

APPROVED COUNTY COUNSEL
Wendy A. Gardner
ALEX A. GARDNER
8/19/16
DATE

AUG 23 2016 3-75

1 with each landowner having one vote for each acre or portion of an acre of land that he or she owned
2 within the Community Facilities District which would have been subject to the special tax if levied at the
3 time of the consolidated special elections; (ii) pursuant to Section 53326 and Resolution No. 2016-128,
4 the Election Official caused the ballots for the consolidated special elections for the Community Facilities
5 District to be delivered to the owners of the property within the Community Facilities District (the
6 "Property Owners"); (iii) the Property Owners waived the time limits for holding the consolidated special
7 elections and the election dates specified in Section 53326, and consented to the calling and holding of the
8 consolidated special elections on July 26, 2016; (iv) the consolidated special elections have been properly
9 conducted in accordance with all statutory requirements and the provisions of Resolution No. 2016-128;
10 (v) pursuant to Section 53326, based on the acreage of their land ownership within the Community
11 Facilities District, the Property Owners, as the owners of all of the property within such Community
12 Facilities District, were entitled to 327 votes in the consolidated special elections; (vi) the ballots for the
13 consolidated special elections were returned by the Property Owners to the Election Official prior to 5:00
14 p.m. on July 26, 2016; (vii) the ballots returned to the Election Official by the Property Owners voted all
15 votes to which they were entitled in favor of all propositions set forth therein; (viii) more than two-thirds
16 of the votes cast in the consolidated special elections on each proposition were cast in favor thereof, and
17 pursuant to Section 53328 of the California Government Code, all such propositions carried; (ix) the
18 Board of Supervisors, as the legislative body of the Community Facilities District, is therefore authorized
19 to annually levy special taxes on taxable property in the Community Facilities District, in amounts
20 sufficient to fund, pay for, and finance authorized lighting and maintenance services for streets, roads,
21 parks, parkways and open space (as specified and reflected in the Resolution of Intention, the Resolution
22 of Formation, and the Rate and Method of Apportionment of Special Tax) and to pay expenses incidental
23 thereto and incidental to the levy and collection of the special taxes, so long as the special taxes are
24 needed to fund such services, at the special tax rates and pursuant to the Rate and Method of
25 Apportionment attached to Resolution 2016-127; and (x) an appropriations limit for the Community
26 Facilities District has been established in the amount of \$4,000,000.

27 Section 2. Declaration of Results. All votes voted in the consolidated special elections on

28 (i) the proposition with respect to the annual levy of special taxes on taxable property within the

1 Community Facilities District, consistent with the Rate and Method of Apportionment, in amounts
2 sufficient to fund, pay for, and finance authorized lighting and maintenance services for streets, roads,
3 parks, parkways and open space and to pay expenses incidental thereto and expenses incidental to the levy
4 and collection of the special taxes, so long as the special taxes are needed to fund such services and (ii)
5 the proposition with respect to establishing an appropriations limit for the Community Facilities District
6 in the amount of \$4,000,000 were voted in favor thereof; and both such propositions carried.

7 Section 3. Effect of Elections. The effect of the results of the consolidated special
8 elections, as specified in Section 2 hereof, is that the Board of Supervisors, as the legislative body of the
9 Community Facilities District, is authorized to annually levy special taxes on taxable property within the
10 Community Facilities District in amounts sufficient to fund, pay for, and finance authorized lighting and
11 maintenance services for streets, roads, parks, parkways and open space and to pay expenses incidental
12 thereto and expenses incidental to the levy and collection of the special taxes, so long as the special taxes
13 are needed to fund such services in accordance with the Rate and Method of Apportionment set forth in
14 Exhibit B to Resolution 2016-127 adopted by the Board of Supervisors on June 21, 2016; and that an
15 appropriations limit of \$4,000,000 has been established for the Community Facilities District.

16 Section 4. Notice of Special Tax Lien. The Clerk is authorized and directed to record a
17 notice of special tax lien as provided in Section 53328.3 of the California Government Code and Section
18 3114.5 of the California Streets and Highways Code.

19 ADOPTED this 23rd day of August, 2016.

20 ROLL CALL:

21 Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
22 Nays: None
23 Absent: None

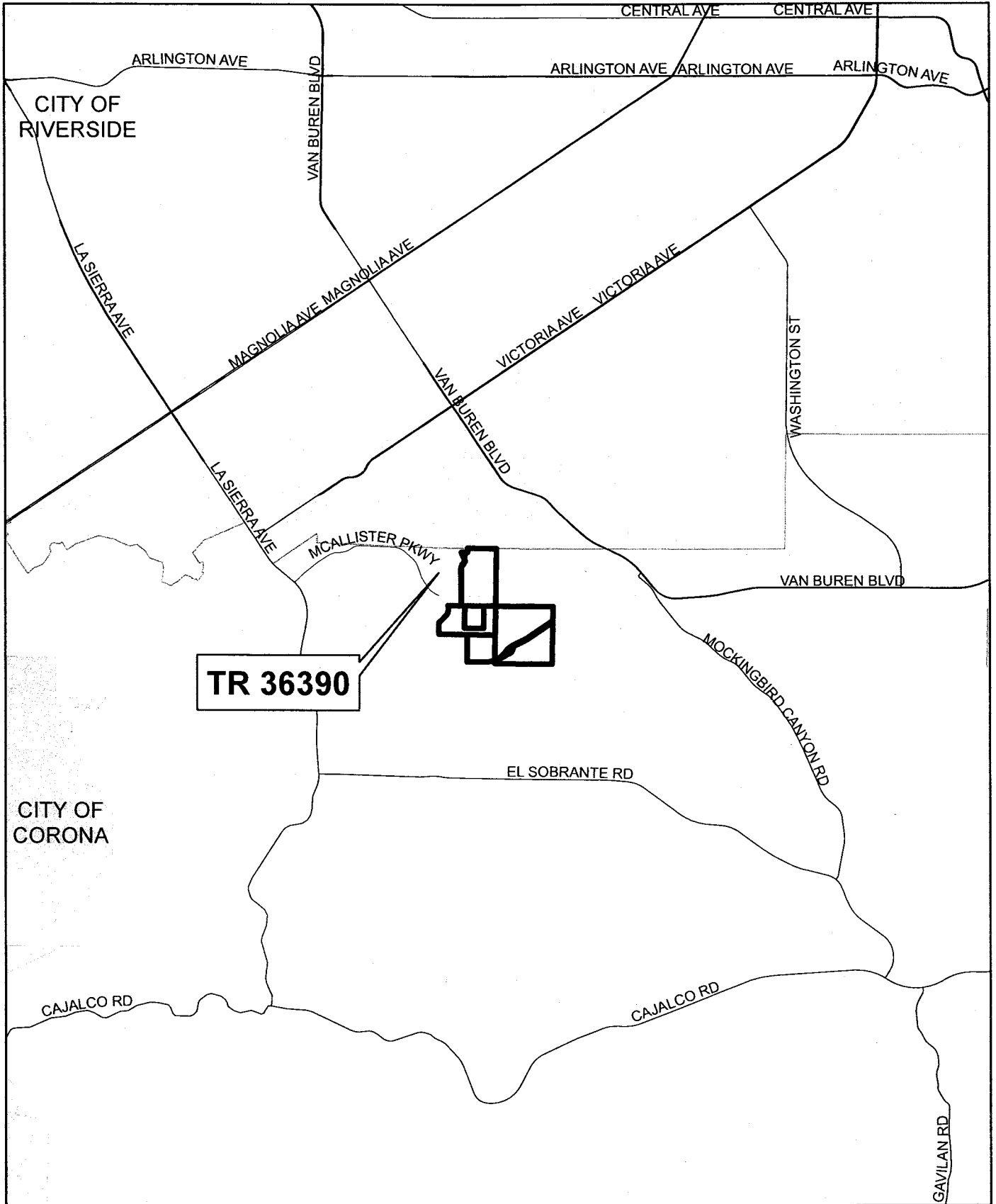
24 The foregoing is certified to be a true copy of a resolution duly
25 adopted by said Board of Supervisors on the date therein set forth.

26 KECIA HARPER-IHEM, Clerk of said Board

27 By 

28 Deputy

CFD 16-1M TR 36390 Citrus Heights Vicinity Map



TR 36390

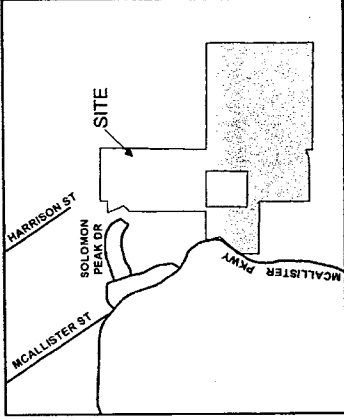
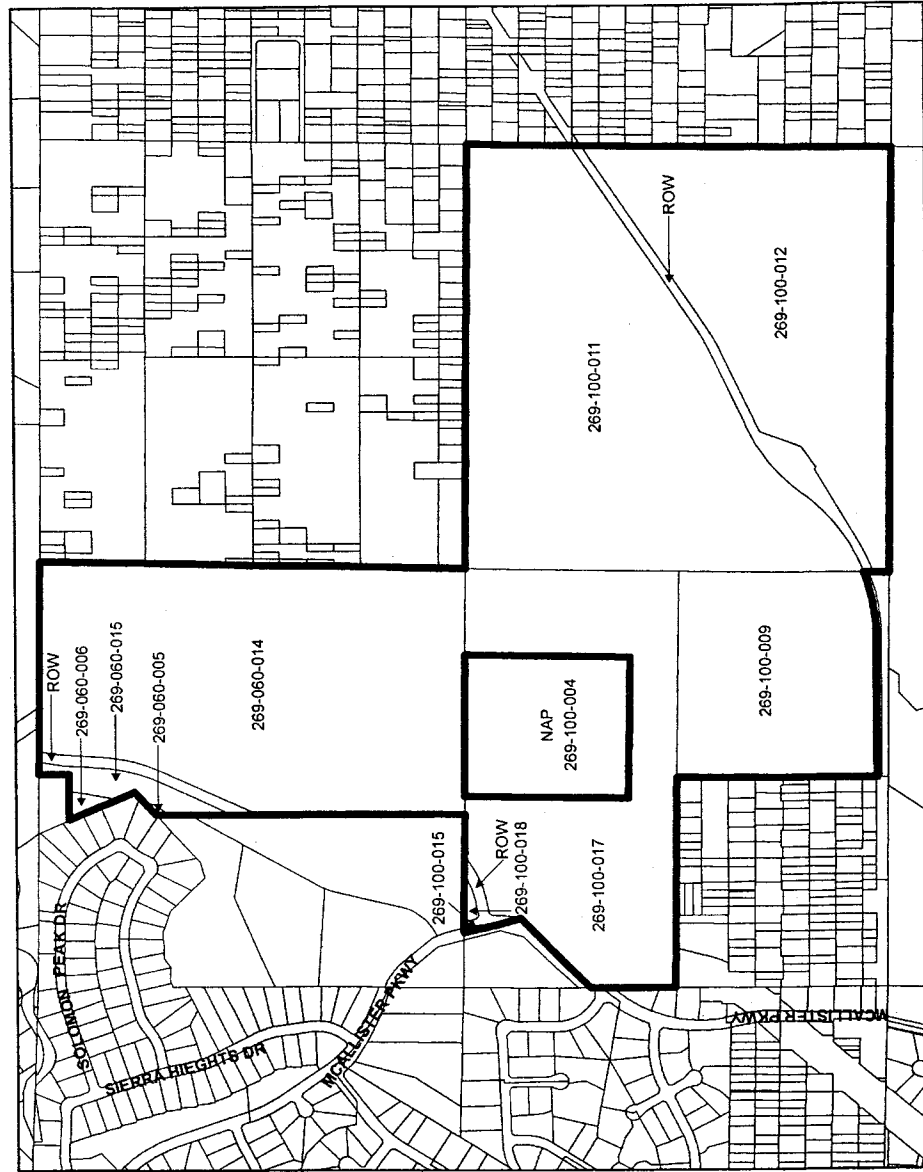
CITY OF RIVERSIDE

CITY OF CORONA

114
8

SHEET 1 OF 1

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



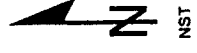
VICINITY MAP

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



READ IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE,
 STATE OF CALIFORNIA THIS 21 DAY OF JULY, 2016.

CLERK OF THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE

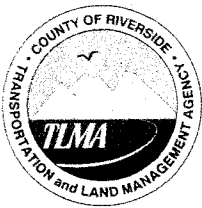
RECORDED THIS 20 DAY OF JULY, 2016, BOOK 79 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 35 IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.
 BY: PETER ADANA, RIVERSIDE COUNTY ASSESSOR/CLERK-RECORDER

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES
 OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF
 SUPERVISORS AT A REGULAR MEETING THEREOF HELD ON THE
 20 DAY OF JUNE, 2016, BY ITS RESOLUTION NO. 1141.

CLERK OF SUPERVISORS
 COUNTY OF RIVERSIDE

REFERENCE IS HEREBY MADE TO THE ASSESSOR MAPS OF THE COUNTY OF
 RIVERSIDE, FOR FISCAL YEAR 2015-2016, FOR AN EXACT DESCRIPTION OF THE
 LINES AND DIMENSIONS OF EACH LOT/PARCEL.

PREPARED BY
PSOMAS
 1500 Iowa Avenue Suite 210 Riverside, CA 92507
 (951) 791-5451 Fax: (951) 582-5372



*Juan C. Perez, P.E., T.E.
Transportation and Land
Management Agency Director*

COUNTY OF RIVERSIDE

TRANSPORTATION AND LAND MANAGEMENT AGENCY



*Patricia Romo, P.E.
Director of Transportation*

Transportation Department

STATEMENT FROM THE DIRECTOR OF TRANSPORTATION (ACTING AS ELECTION OFFICIAL) TO THE BOARD OF SUPERVISORS AS TO THE CANVASS OF BALLOTS VOTED IN AND THE RESULTS OF THE CONSOLIDATED SPECIAL ELECTIONS FOR COMMUNITY FACILITIES DISTRICT NO. 16-1M-TR36390 (CITRUS HEIGHTS) OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, HELD ON JULY 26, 2016

I, Patricia Romo, Director of Transportation of Riverside County, acting as the election official pursuant to Resolution No. 2016-128 adopted by the Board of Supervisors of Riverside County ("Board of Supervisors") on July 26, 2016, make the following statements regarding the consolidated special elections held within and for Community Facilities District No. 16-1M TR36390 (Citrus Heights) of the County of Riverside, State of California (the "Community Facilities District"), on July 26, 2016, on (i) the proposition with respect to the annual levy of special taxes on taxable property within the Community Facilities District to fund, pay for, and finance authorized lighting and maintenance services for streets, roads, parks, parkways and open space and to pay expenses incidental thereto and (ii) the proposition with respect to establishing an appropriations limit for the Community Facilities District:

- (1) I have received a signed written waiver entitled "Petition, Waiver, and Consent" from the owner of all the land within the Community Facilities District ("Owner").
- (2) The written waiver, among other matters, waived compliance with the provisions of Section 53326 of the Government Code to the effect that a special election with respect to the levy of special taxes within the Community Facilities District must be held at least ninety (90) days, but not more than one hundred eighty (180) days, following the adoption of the resolution of formation establishing the Community Facilities District and consented to the holding of the consolidated special elections on July 26, 2016.
- (3) I have received a written certification from the Registrar of Voters of the County of Riverside, stating that there are no registered voters residing within the Community Facilities District. Accordingly, pursuant to Section 53326 of the Government Code, and as determined by the Board of Supervisors in Resolution No. 2016-128, the vote in the consolidated special elections was to be by the landowners of the Community Facilities District, with each landowner having one vote for each acre, or portion thereof, of land that he or she owns within the Community Facilities District.
- (4) Pursuant to Resolution No. 2016-128, an Official Ballot together with a Ballot Pamphlet and Instructions to Voter containing Instructions to Landowner Voter, a Sample Ballot, and a copy of Resolution No. 2016-127 adopted by the Board of Supervisors on June 21, 2016 was delivered to the Owner. Also delivered to the Owner was an official identification envelope, with return postage affixed thereto, for returning the voted Official Ballot.



*Juan C. Perez, P.E., T.E.
 Transportation and Land
 Management Agency Director*

**COUNTY OF RIVERSIDE
 TRANSPORTATION AND
 LAND MANAGEMENT AGENCY**



*Patricia Romo, P.E.
 Director of Transportation*

Transportation Department

(5) Pursuant to Section 53326 of the Government Code, for purposes of the consolidated special elections, the Owner was entitled to one vote for each acre, or portion thereof, of land within the Community Facilities District which Owner owned. Based on the approximate acreage of land owned by the Owner within the Community Facilities District, Owner was entitled to the following votes.

<u>Owner</u>	<u>Acreage</u>	<u>Votes</u>
Lennar Homes of California, Inc.	<u>326.48</u>	<u>327</u>
Totals	326.48	327

(6) The voted Official Ballot was returned to me by the Owner, sealed in the aforementioned identification envelope, prior to 5:00 p.m. on July 26, 2016. Each returned ballot was voted with a cross marked in the box after the word "YES" following each proposition set forth on the ballot and had a signed statement attached that the signer was entitled to vote the ballot on behalf of the Owner named therein, and that it was the intent of that Owner to vote all votes to which it was entitled in the manner marked on the ballot. I have canvassed the ballots returned in the consolidated special elections, being the Official Ballot above referred to, and determined that the results of the elections with respect to each proposition set forth in the Official Ballot are as follows:

Proposition A: 327 YES votes, 0 NO votes

Proposition B: 327 YES votes, 0 NO votes

(7) More than two-thirds of the votes cast in the consolidated special elections are in favor of all such propositions.

Dated: July 26, 2016

PATRICIA ROMO
 DIRECTOR OF TRANSPORTATION
 COUNTY OF RIVERSIDE
 ELECTION OFFICIAL

1 c. Subsequent to said public hearing, the Board of Supervisors adopted
2 Resolution No. 2016-128 (the "Resolution of Formation"), establishing the District, authorizing the levy
3 of a special tax within the District to fund the Services, subject to voter approval, establishing an
4 appropriations limit of \$4,000,000 for the District, subject to voter approval, and calling a special election
5 for the District for July 26, 2016 on the propositions to levy a special tax within the District and to
6 establish an appropriations limit for the District.

7 d. Pursuant to the terms of the Resolution of Formation and the provisions of
8 the Act, said special election was held on July 26, 2016. Each of the propositions was approved by more
9 than two-thirds of the votes cast at said special election.

10 e. Pursuant to the Act, the Board of Supervisors is the *ex officio* legislative
11 body (the "Legislative Body") of the District.

12 Section 2. PURPOSE. The purpose of this ordinance is to provide for the levy of a
13 special tax within the District.

14 Section 3. AUTHORITY. This ordinance is adopted pursuant to Sections 53328 and
15 53340 of the California Government Code.

16 Section 4. LEVY OF SPECIAL TAXES.

17 a. By the passage of this Ordinance, the Board of Supervisors hereby
18 authorizes and levies special taxes within the District pursuant to Sections 53328 and 53340 of the
19 Government Code, at the rate and in accordance with the method of apportionment (the "Rate and
20 Method") set forth in the Resolution of Formation and attached as Exhibit A hereto and made a part
21 hereof. The special taxes are hereby levied commencing in the fiscal year 2016-2017 and in each fiscal
22 year thereafter for the period necessary to satisfy the Special Tax Requirement (as defined in the Rate and
23 Method) and until action is taken by the Board of Supervisors, acting as the Legislative Body of the
24 District, to dissolve the District.

25 b. The Board of Supervisors, acting as the Legislative Body of the District, is
26 hereby authorized and directed each fiscal year to determine, or cause to be determined, the specific
27 special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property
28 within the District, in the manner and as provided in the Rate and Method.

1 c. All of the collections of the special tax shall be used as provided for in the
2 Act, the Rate and Method and the Resolution of Formation, including, but not limited to, to fund, pay for,
3 and finance authorized lighting and maintenance services for streets, roads, parks, parkways and open
4 space and to pay expenses incidental thereto, so long as the special taxes are needed to fund such services;
5 to replenish the reserve fund for the District; to pay the costs of administering the District, and the costs of
6 collecting and administering the special tax.

7 d. The special taxes shall be collected from time to time as necessary to meet
8 the financial obligations of the District on the secured real property tax roll in the same manner as
9 ordinary *ad valorem* taxes are collected, or may be collected in such other manner as set forth in the Rate
10 and Method. The special taxes shall have the same lien priority, and shall be subject to the same penalties
11 and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes. The Board of
12 Supervisors, acting as the Legislative Body of the District, is hereby authorized and directed to take all
13 actions necessary in order to effect the proper billing and collection of the special tax, so that the special
14 tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial
15 obligations of the District in each fiscal year.

16 e. Notwithstanding the foregoing, the Board of Supervisors, acting as the
17 Legislative Body of the District, may collect, or cause to be collected, one or more installments of the
18 special taxes by means of direct billing by the District of the property owners within the District if, in the
19 judgment of the Legislative body, such means of collection will reduce the burden of administering the
20 District or is otherwise appropriate in the circumstances. In such event, the special taxes shall become
21 delinquent if not paid when due as set forth in any such respective billing to the property owners.

22 Section 5. EXEMPTIONS. Properties or entities of the state, federal or other local
23 governments shall be exempt from any levy of the special taxes, to the extent set forth in the Rate and
24 Method. In no event shall the special taxes be levied on any parcel within the District in excess of the
25 maximum tax specified in the Rate and Method.

26 Section 6. SEVERABILITY. If for any reason any portion of this Ordinance is found
27 to be invalid, or if the special tax is found inapplicable to any particular parcel within the District, by a
28

1 court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the
2 remaining parcels within the District shall not be affected.

3 Section 7. EFFECTIVE DATE. This Ordinance relating to the levy and collection of
4 special taxes in the District shall take effect immediately upon its passage in accordance with the
5 provisions of Section 25123(c) of the Government Code. The Chairman of the Board of Supervisors shall
6 sign this Ordinance and the Clerk of the Board of Supervisors shall attest to the Chairman's signature and
7 then cause the same to be published within 15 days after its passage at least once in *The Press-Enterprise*,
8 a newspaper of general circulation published and circulated in the area of the District.

9
10 BOARD OF SUPERVISORS OF THE COUNTY
11 OF RIVERSIDE, STATE OF CALIFORNIA

12 By: _____
13 Chairman

14 ATTEST:

15 CLERK OF THE BOARD:

16 By: _____
17 Deputy

18 (SEAL)

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20 DAG:lb
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EXHIBIT A

RATE AND METHOD

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**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.

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Clerk of the Board of Supervisors
Riverside County
4080 Lemon Street
Riverside, CA 92501

2016-0323893

08/01/2016 10:41 AM Fee: \$ 58.00

Page 1 of 12

Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

NOTICE OF SPECIAL TAX LIEN



**COUNTY OF RIVERSIDE COMMUNITY FACILITIES DISTRICT NO. 16-1M TR36390
(CITRUS HEIGHTS)**

59.50

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the California Government Code (the "Act"), the undersigned Clerk of the Board of Supervisors, County of Riverside, State of California, hereby gives notice (the "Notice") of the foregoing and that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the County of Riverside, State of California. The special tax secured by this lien is authorized to be levied for the purpose of providing the services, including incidental expenses, described in Exhibit A attached hereto and incorporated by this reference herein.

The special tax is authorized to be levied within the County of Riverside Community Facilities District No. 16-1M TR36390 (Citrus Heights) (the "District"), which has now been officially formed and the lien of special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with the Section 53330.5 of the Act.

The rate, method of apportionment, and manner of collection of the authorized special tax are as set forth in the rate and method of apportionment of the special tax (the "Rate and Method") attached hereto as Exhibit B and by this reference incorporated herein. The Rate and Method does not provide for prepayment of the special tax obligation.

Notice is further given that upon the recording of this Notice in the office of the County Recorder of the County of Riverside, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the District, in accordance with Section 3115.5 of the California Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the District are as set forth in Exhibit C attached hereto and by this reference made a part hereof.

Reference is made to the boundary map of the District recorded in Book 79 of Maps of Assessment and Community Facilities Districts at Page 85 in the office of the County Recorder for the County of Riverside, State of California, as Document # 2016-0269714 which map is the final boundary map of the District.

JUL 26 2016 9-3

2016-8-1328001

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Maintenance CFD Administrator at the County of Riverside Transportation Department, 4080 Lemon Street, Riverside, CA 92501, phone 951-955-6767.

Dated: July 26, 2016

By: Kecia Harper-Ihem, Deputy for
Clerk of the Board of Supervisors
KECIA HARPER-IHEM

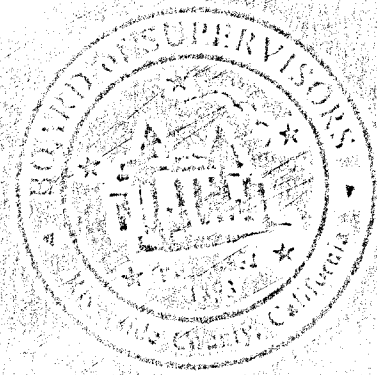


EXHIBIT A

DESCRIPTION OF SERVICES

The services (the "Services") described below are proposed to be financed by County of Riverside Community Facilities District No. 16-1M TR36390 (Citrus Heights) (the "CFD").

- Street light maintenance including energy charges, operation, maintenance, and administrative costs of streetlights within the CFD.
- Landscape maintenance of streetscape, slopes and open spaces areas within the CFD including, but not limited to, all landscaping materials such as turf, ground cover, shrubs, trees, plants, irrigation and drainage systems, weed control and other abatements, electricity, repair/replacement and inspection. Inspection is inclusive of scheduling, travel time, visual inspection process and procedures, GPS location recording, reporting by device, annual reporting, visual inspection for functionality, vegetated as designed, irrigation is complete and in working order, noting any of the following: any deficiencies, erosion, trash, silt, sediment, structural deficiencies. Maintenance is inclusive of repair or replacing any of the items noted as deficient or needing to be corrected to not be deficient. Administration is inclusive of quality assurance and control of inspection and maintenance, general contract administration, including phone calls and procurement of goods and services.
- All other services necessary or useful for, or in connection with, the authorized Services listed above, including building a reserve fund for replacement.

EXHIBIT B

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.

EXHIBIT C

**NAMES OF THE OWNERS AND ASSESSOR'S PARCEL NUMBERS
OF THE REAL PROPERTY WITHIN DISTRICT**

Owner	Assessor's Parcel Numbers
Lennar Homes of California, Inc.	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