

Meeting Date: 12/16/2014

Report Type: Consent

Report ID: 2014-00841

Title: Resolution of Intention to Establish The Creamery Community Facilities District No. 2014-08

Location: District 4

Recommendation: Pass a Resolution of Intention 1) establishing the Creamery Maintenance Community Facilities District No. 2014-08; and 2) setting a time and place for a public hearing on January 20, 2015.

Contact: Diane Morrison, Program Specialist, (916) 808-7535; Mark Griffin, Program Manager, (916) 808-8788, Department of Finance

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Resolution of Intention

City Attorney Review

Approved as to Form
Michael W. Voss
12/8/2014 10:36:48 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 12/2/2014 11:37:39 AM

Description/Analysis

Issue: Under the conditions of approval for The Creamery Development Project (Project), the property owners are required to annex the project area to an appropriate financing district for the maintenance of street landscaping that is beyond that typically provided by the City before recordation of any final-use parcel.

The establishment of The Creamery Community Facilities District No. 2014-08 (District) will satisfy the entitlement conditions for maintenance by authorizing the City to levy special taxes in an amount sufficient to provide maintenance funding.

Policy Considerations: The recommended action is consistent with City policy to implement special levy districts to fund the maintenance and repair of the amenities, facilities, and improvements within the Project that exceed City standards.

Environmental Considerations: Under California Environmental Quality Act guidelines, formation of a district and continuing administrative activities do not constitute a project and are therefore exempt from review.

Rationale for Recommendation: The recommended actions in the attached Resolution are required by the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311-53368.3) for the formation of a new district.

Financial Considerations: The property owners will pay all costs associated with the District. The maximum special tax for each parcel shall be the amounts shown below for Fiscal Year (FY) 2015/16.

Developed Parcels	
Single Family Residential Units	\$ 331 per dwelling unit
Condominium Units	\$ 331 per dwelling unit
Multifamily Residential Units	\$ 331 per dwelling unit
Mixed Use Residential Units	\$ 331 per dwelling unit
Final Use Parcels	\$4,670 per acre
Undeveloped Parcels	\$4,670 per acre

A detailed explanation of the proposed special tax is included in the Rate and Method of Apportionment, attached to the Resolution as Exhibit C. No tax will be levied in FY-2014/15. The formation process sets the base taxes by land use as shown above. These base amounts can increase by the annual change in the Consumer Price Index, but by no more than four percent.

Local Business Enterprise (LBE): Not applicable.

Background

The Project consists of 17 lots totaling approximately 8.31 gross acres located within the Alkali Flats neighborhood of the City of Sacramento, County of Sacramento. The project site was the former Crystal Creamery production site. The north block of the project site is generally bounded by D, 10th Streets, Television Circle, and the railroad. The south block is generally bounded by D, E, 10th and 11th Streets. A map of the project is included as Exhibit A to the Resolution.

On October 28, 2008, Council approved entitlements to allow for development of 217 residential units and 121,836 square feet of commercial space (Ordinance 2008-051, Resolutions 2008-704 through 707). All but one of the structures approved for demolition was demolished before work on the project stopped in late 2008. The approved project was not constructed and the site has remained vacant. The new owner, Lewis Land Developers, went to the Planning and Design Commission on 05/29/2014 and received approval for a new project.

The new project proposes to develop approximately 7.5 net acres. The Project has reserved an area for a future connection of 10th Street through the site, although the timing for the construction is not expected to occur in the near future.

The tentative map will create 117 single family lots and 10 common lots, with an overall density of 15.6 dwelling units per acre. The project is comprised of four models with a total of twelve variations. The purpose of the common lots would be to allow private vehicular drives throughout the development and to provide landscaped paseos. The common areas will be maintained by a Homeowner's Association.

SCHEDULE OF PROCEEDINGS

THE CREAMERY COMMUNITY FACILITIES DISTRICT (CFD) NO. 2014-08

Nov. 20, 2014	City Clerk certification of registered voters
Dec. 08, 2014	100% Consent Waivers due to City
Dec. 16, 2014	City Council <ul style="list-style-type: none">o Adopt Resolution of Intention (sets hearing date)
Dec. 17, 2014	Mail Notice of Hearing and Record Boundary Map
Jan. 09, 2015	City Clerk publish Notice of Public Hearing
Jan. 20, 2015	City Council <ul style="list-style-type: none">o Conduct Public Hearingo Approve Resolution of Formationo Approve Resolution Calling Special Election
Jan. 21, 2015	Mail Ballots
Jan. 26, 2015	Ballots Due
Feb. 03, 2015	City Council <ul style="list-style-type: none">o Adopt Resolution Declaring Results of Special Electiono Pass for Publication Ordinance to Levy Tax
Feb. 04, 2015	Record Notice of Special Tax
Feb. 10, 2015	City Council <ul style="list-style-type: none">o Adopt Ordinance to Levy Special Tax

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION OF INTENTION TO ESTABLISH THE CREAMERY COMMUNITY FACILITIES DISTRICT NO. 2014-08, AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE MAINTENANCE SERVICES

BACKGROUND

- A. The City Council has duly considered the advisability and necessity of establishing a community facilities district and levying a special tax therein to pay for maintenance and related services to be provided within the district, under the Mello-Roos Community Facilities Act of 1982 (Act) and chapter 3.124 of the Sacramento City Code (Chapter 3.124), shown on the Boundary Map in Exhibit A, attached hereto and incorporated herein.
- B. The City Council has determined that the establishment of the district is consistent with Chapter 3.124 and follows the local goals and policies concerning the use of the Act that have been adopted by the City Council and are now in effect.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Background statements A and B are accurate.

Section 2. The City Council hereby proposes to establish a community facilities district under Chapter 3.124 and the Act (District). The boundaries of the territory proposed for inclusion in the District are shown on the map entitled "The Creamery Community Facilities District No. 2014-08" attached to this resolution as Exhibit A. A map showing the proposed territory to be included in the District (Boundary Map) is on file in the office of the City Clerk, is in the form required by section 3110 of the Streets and Highways Code, and is hereby approved. The City Clerk is directed to file a copy of the Boundary Map with the Sacramento County Clerk/Recorder within fifteen days hereafter, and in no event later than fifteen days before the hearing on the formation of the district, for placement in the Book of Maps of Assessment and Community Facilities Districts, in accordance with section 3111 of the Streets and Highways Code.

Section 3. The name of the District is "The Creamery Community Facilities District No. 2014-08."

Section 4. The District is being formed solely to fund the maintenance and repair of landscaped areas within the public rights-of-way above the City standards; weed

abatement; repair and maintenance of the sound wall; and maintenance and repair of landscaping and amenities for the open space reserved as a future connection of the 10th street corridor. The District will not finance capital improvements or issue bonds. The services provided by the District are set forth in Exhibit B to this resolution, all of which are authorized by the Act and by Chapter 3.124. The District will also finance all costs and expenses normally incidental to the provision of the landscaping, maintenance, operations, and related services, including but not limited to those for elections, engineering, contract supervision, planning, legal services, and City administration.

Section 5. Except where funds are otherwise available, a special tax sufficient to pay for the maintenance and related services, secured by recordation of a continuing lien against all nonexempt real property in the District, will be levied annually within the District. The tax is to be collected as a separately stated item on the county property-tax bill, but the City Council reserves the right to change the method of collection at any time. The special tax is to be apportioned according to land-use classes at the annual tax rate specified in Exhibit C to this resolution, the Rate and Method of Apportionment of Special Tax (RMA). The rate shown in Exhibit C is the maximum rate. The rate may be increased for inflation under Chapter 3.124, as specified in Exhibit C. If tax collections at the stated rate exceed the amount required to pay the Special Tax Requirement (as defined in Exhibit C), then the rate may be reduced in accordance with the formula set forth in Exhibit C. The special tax will be levied and collected until the City Council determines that the need for the maintenance, and related, services no longer exists.

Section 6. In accordance with section 53325.7 of the Act, the City Council intends to establish an appropriations limit for the District, as defined by subdivision (h) of section 8 of article XIII B of the California Constitution.

Section 7. At 6:00 p.m. on January 20, 2015, in the Council Chambers at New City Hall, 915 I Street, First Floor, Sacramento, California, the Council will hold a public hearing on the proposed establishment of the District, the territorial extent of the District, the future annexation of territory pursuant to Section 53339.2 of the Act, the types of services to be provided, the proposed levy of a special tax, and all other matters as set forth in this resolution. At the public hearing, any persons interested, including taxpayers, owners of property within the District, and any registered voters residing within the District, may appear and be heard, and the testimony of all interested persons for or against establishment of the proposed District, the territorial extent of the District, the types of services to be provided, the levy of the special tax within the District, or any other matters set forth herein will be heard and considered. Such protests may be made orally or in writing by any interested persons, except that protests pertaining to the regularity or sufficiency of the proceedings must be in writing and must clearly set forth the irregularities and defects to which the objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests must be filed with the City Clerk on or before the time fixed for the public hearing and any written

protest may be withdrawn in writing at any time before the conclusion of the public hearing. If, at the conclusion of the hearing, the City Council determines to proceed with establishing the District, then the question of levying the special tax will be submitted to the qualified electors in an election conducted under section 53326 of the Act not less than 90 days nor more than 180 days thereafter, unless appropriate waivers pursuant to section 53326 have been filed with the City Clerk. The special tax may be levied if at least two-thirds of the votes cast upon the question of levying the tax are in favor of levying the tax.

Section 8. The City Council directs the Public Improvement Finance Manager of the Finance Department to prepare the report required by section 53321.5 of the Act and to file the report with the City Council at or before the time of the hearing.

Section 9. The City Clerk is directed to give notice of the hearing in accordance with sections 53322 and 53322.4 of the Act, as follows:

- (a) By publishing in the Sacramento Bulletin, a newspaper of general circulation published in the area of the District, a notice of public hearing in the form required by the Act. The City Clerk shall do this in accordance with section 6061 of the Government Code, and the publication must be completed at least seven days before the date set for the public hearing.
- (b) By mailing to each owner of property within the District and to each registered voter residing within the District, using prepaid first-class postage, a notice of public hearing in the form required by the Act. The mailing to property owners is to be to their addresses as shown on the records of the Sacramento County Treasurer-Tax Collector or as otherwise known to the City Clerk. The mailing to registered voters is to be made to the registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters or as otherwise known to the City Clerk. The City Clerk shall complete all mailings at least fifteen days before the date set for the public hearing. The notice of hearing must include a description of the voting procedures.

Section 10. Exhibits A, B, and C are a part of this resolution

Table of Contents:

Exhibit A: Boundary Map of Proposed Boundary

Exhibit B: List of Authorized Services

Exhibit C: Rate and Method of Apportionment of Special Tax

Exhibit A

BOUNDARY MAP
THE CREAMERY
COMMUNITY FACILITIES DISTRICT NO. 2014-08
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
SHEET 1 OF 1



CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CLERK OF CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 2014.

 CITY CLERK,
 CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE

I HEREBY CERTIFY THAT THE MAP SHOWING BOUNDARY MAP, THE CREAMERY COMMUNITY FACILITIES DISTRICT NO. 2014-08, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF, HELD ON THE ____ DAY OF _____, 2014, BY ITS RESOLUTION NO. _____.

 CITY CLERK,
 CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT

FILED THIS ____ DAY OF _____, 2014 AT THE HOUR OF ____ O'CLOCK ____ M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

 COUNTY RECORDER
 OF THE COUNTY OF SACRAMENTO, CALIFORNIA

BY _____
 DEPUTY DOCUMENT NO. _____



City of
SACRAMENTO
 Finance Department

SPECIAL DISTRICTS/Community Facilities Districts/Map No. 10284

Exhibit B
List of Authorized Services

The authorized services to be financed with the Special Tax are set forth below. The Special Tax may be levied to pay for any authorized services and to accumulate funds for that purpose. The primary function of CFD No. 2014-08 is to fund the maintenance and repair of landscaped areas within public rights-of-way that are above the City standard and maintenance and repair of landscaping and amenities for the open space reserved as a future connection of the 10th street corridor.

The authorized services for CFD No. 2014-08 consist of the following:

1. Weed abatement and the repair and maintenance of landscaping, irrigation facilities, lighting, sound walls, monuments, signs and other appurtenances within and along public rights-of-way.
2. Maintenance and repair of landscaping and amenities for the open space reserved as a future connection of the 10th street corridor.
3. Costs of scheduled inspection of maintenance of landscaped areas.
4. Utility bills associated with maintenance of landscaped areas.
5. Establishing costs for CFD No. 2014-04.
6. Collecting and administering the Special Tax and annually administering CFD No. 2014-08.
7. Miscellaneous costs related to any of the items described above, including costs of planning, engineering, legal services, and administration.

EXHIBIT C

CITY OF SACRAMENTO, CALIFORNIA THE CREAMERY COMMUNITY FACILITIES DISTRICT NO. 2014-08

RATE AND METHOD OF APPORTIONMENT AND MANNER OF COLLECTION OF SPECIAL TAXES

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 applicable to the land in The Creamery Community Facilities District No. 2014-08 (CFD) of the City of Sacramento (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the formation and administration of CFD, including, but not limited to: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Tax (whether by the County or otherwise); the costs to the City, CFD, or any designee thereof of complying with City or CFD disclosure requirements; the costs associated with responding to public inquiries regarding the Special Tax; the costs of the City, CFD, or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third-party expenses.

"Annual Costs" means the amount required in any Fiscal Year for the CFD to: (1) pay for Authorized Services as shown on **Attachment 2**; and (2) pay Administrative Expenses.

"Authorized Services" mean those services listed in **Attachment 2**.

"Base Year" means the Fiscal Year beginning July 1, 2015 and ending June 30, 2016.

"Building Permit" means the issuance of a City building permit for the construction of Residential Building, Condominium Structure, or Mixed-Use Building in the CFD.

"CFD" means the The Creamery Community Facilities District No. 2014-08.

"CFD Administrator" means the official of the City, or designee thereof, responsible for determining the Annual Costs and providing for the levy and collection of the Special Tax.

"City" means the City of Sacramento in Sacramento County, California.

"Condominium Structure" means a residential, commercial or mixed use structure consisting of two or more units that share common walls and that may be legally offered as for-sale units, including such structures that meet the statutory definition of a condominium contained in Civil Code Section 4125.

"Condominium Unit" means a Residential Unit included as part of a Condominium Structure.

"Consumer Price Index" means the Consumer Price Index published by the U.S. Bureau of Labor Statistics for "All Items" in the San Francisco / Oakland / San Jose Area Urban Wage Earners and Clerical Workers, measured each calendar year. If this index ceases to be published, the Consumer Price Index will be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the San Francisco Bay Area.

"Council" means the City Council of the City of Sacramento acting for the CFD under the Act.

"County" means the County of Sacramento, California.

"County Assessor's Parcel" means a lot or Parcel with an assigned Assessor's Parcel Number in the maps used by the County Assessor in the preparation of the tax roll.

"Developed Parcel" means a Parcel for which a Building Permit or special use permit has been issued for a Residential Building or Mixed-Use Building within the CFD. A Developed Parcel will be reclassified as a Final Use Parcel if a Building Permit on a Parcel is revoked, abandoned or expires.

"Final Use Parcel" means a Residential Parcel, Mixed Use Parcel, or Multifamily Residential Parcel for which no further development approval is required for the issuance of a Building Permit.

"Fiscal Year" means the period starting July 1 and ending the following June 30.

"Maximum Annual Special Tax" means the greatest amount of Special Tax that can be levied against a Taxable Parcel.

"Maximum Annual Special Tax Revenue" means the greatest amount of Special Tax revenue that can be collected by levying the Maximum Annual Special Tax against a group of Taxable Parcels (Developed Parcels, Undeveloped Parcels or Final Use Parcels).

"Maximum Annual Special Tax Rate per Unit" means the amount shown in **Attachment 1** for the Base Year that is assigned per Residential Unit for a Residential Parcel or Residential Units in a Mixed-Use Building. The Maximum Annual Special Tax Rate per Unit is adjusted annually by the Tax Escalation Factor in each Fiscal Year following the Base Year.

"Mixed-Use Building" means a structure on a Mixed-Use Parcel designated for nonresidential and residential uses. A Mixed-Use Building may be either a vertical or horizontal Mixed-Use Building.

"Mixed-Use Parcel" means a Parcel designated for nonresidential and residential uses.

"Multifamily Residential Parcel" means a Parcel with Multifamily Residential Use structures.

“Multifamily Residential Use(s)” means a Parcel designated for multifamily residential apartment uses.

“Nonresidential Parcel” means a Parcel with a use designated for commercial, retail, office, church, institutional (such as hospital), industrial, manufacturing, or other similar land uses. Nonresidential Parcels are exempt from the Special Tax; however, Residential Uses on a Mixed-Use parcel shall be subject to the Special Tax.

“Parcel” means any County Assessor’s Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

“Parcel Number” means the Assessor’s Parcel Number for any Parcel based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

“Public Parcel” means any Parcel, in its entirety, that is publicly owned that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainage ways, public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes. Any such Parcel will be a Tax-Exempt Parcel.

“Residential Building” means a residential structure on a Residential Parcel with land uses designated for residential use, such as single-family residential, residential uses on a mixed-use parcel, multifamily residential, low-income single-family residential, age-restricted single-family or multifamily uses, assisted living or congregate care facilities.

“Residential Unit” means a residential dwelling unit constructed on a single family residential Parcel, constructed in a Condominium Structure, or constructed on a Multifamily Residential Parcel or a Mixed Use Parcel.

“Residential Parcel” means a Parcel, with land uses designated for residential uses such as single-family residential, multifamily residential, low-income single-family residential, age-restricted single-family or multifamily uses, assisted living or congregate care facilities.

“Residential Use” means that portion of a Parcel designated for residential use, including parking for the residential use.

“Single Family Residential Use(s)” means a County Assessor’s Parcel designated for detached single family residential uses.

“Special Tax(es)” mean(s) any tax levy under the Act in the CFD.

“Tax Collection Schedule” means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

“Tax Escalation Factor” means an amount by which the Administrator may adjust the Maximum Annual Special Tax in each Fiscal Year after the Base Year, equal to the percentage change in the Consumer Price Index for the prior calendar year over the preceding calendar year, not to exceed four percent for any Fiscal Year.

“Taxable Parcel” means any Parcel that is a Developed Parcel, Final Use Parcel, or Undeveloped Parcel.

"Tax-Exempt Parcel" means any Public Parcel and any other Parcel that is, or is intended to be, publicly owned, as designated in any final map, that normally is exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainage ways, landscaping, wetlands, greenbelts, and open space.

"Undeveloped Parcel" means a Parcel that is not a Developed Parcel, Final Use Parcel, or Tax-Exempt Parcel

3. Duration of the Special Tax

Parcels in the CFD will remain subject to the Special Tax in perpetuity.

If the Special Tax ceases to be levied, the City will direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax, in addition, will identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

4. Assignment of Maximum Annual Special Tax

- A. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions in **Section 2** above, the Parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the CFD Administrator shall complete the following steps:
 1. Classify each Parcel as a Developed Parcel, Final Use Parcel, Undeveloped Parcel, or Tax-Exempt Parcel.
 2. Assign to each Developed Parcel the total Residential Units for all Residential Parcels and Mixed-Use Parcels.
- B. Determination of Maximum Annual Special Tax. **Attachment 1** shows the Maximum Annual Special Tax Rate per Unit for the Base Year. In each Fiscal Year following the Base Year, the Maximum Annual Special Tax Rate per Unit shall be adjusted by the Tax Escalation Factor.
- C. Assignment of Maximum Annual Special Tax. Using **Attachment 1**, the CFD Administrator shall assign the Maximum Annual Special Tax to each Developed Parcel and Final Use Parcel using the steps below:
 1. Developed Parcels.
 - a. Residential Parcels. Assign the Maximum Annual Special Tax to each Residential Unit on a Residential Parcel using the rate shown on **Attachment 1**, as increased by the Tax Escalation Factor. To the extent that more than one Residential Unit is assigned to the Residential Parcel, sum the Maximum Annual Special Tax assigned to each Residential Unit to determine the Maximum Annual Special Tax for the Residential Parcel.

- b. Multifamily Residential Parcel. Using the number of Residential Units on a Multifamily Parcel, multiply the Maximum Annual Special Tax per Residential Unit for Multifamily Residential uses, as shown in **Attachment 1**, as increased by the Tax Escalation Factor, times the number of Residential Units to determine the Maximum Annual Special Tax for the Multifamily Residential Parcel.
 - c. Mixed-Use Parcels. Using the number of Residential Units on a Mixed-Use Parcel, multiply the Maximum Annual Special Tax per Residential Unit for Mixed-Use, as shown in **Attachment 1**, as increased by the Tax Escalation Factor, times the number of Residential Units to determine the Maximum Annual Special Tax for the Mixed-Use Parcel.
 2. Final Use Parcels. Assign the Maximum Annual Special Tax per acre for each acre, or part thereof, for all acreage zoned for residential use and mixed use as shown in **Attachment 1**, as increased by the Tax Escalation Factor.
 3. Undeveloped Parcels. Assign the Maximum Annual Special Tax per acre for each acre, or part thereof, for all acreage zoned for residential use and mixed use as shown in **Attachment 1**, as increased by the Tax Escalation Factor.
- D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel ceases to be classified as a Public Parcel and is converted to a taxable use, it shall become subject to the Special Tax if it meets the definitions of a Taxable Parcel. The Maximum Annual Special Tax for such a Parcel will be assigned according to **Section 4.A, Section 4.B and Section 4.C** above. Conversely, if a Parcel is converted to a Public Parcel, it shall become a Tax-Exempt Parcel.

5. Calculating Annual Special Taxes

The CFD Administrator will compute the Annual Costs and determine the Maximum Annual Special Tax for each Taxable Parcel based on the assignment of the Special Tax in **Section 4**. The CFD Administrator then will determine the tax levy for each Taxable Parcel using the following process:

- A. Compute the Annual Costs using the definition of Annual Costs in Section 2.
- B. Calculate the Special Tax levy for each Taxable Parcel by the following steps:
 - Step 1: Compute 100 percent of the Maximum Annual Special Tax Revenue for Developed Parcels.
 - Step 2: Compare the Annual Costs with the Maximum Annual Special Tax Revenue calculated in Step 1.
 - Step 3: If the Annual Costs are lower than the Maximum Annual Special Tax Revenue for Developed Parcels, decrease proportionately the Special Tax levy for each Developed Parcel until the revenue from the Special Tax levy equals the Annual Costs.

Step 4: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue for Developed Parcels, increase proportionately the Special Tax levy for each Final Use and Undeveloped Parcel until the revenue from the Special Tax levy equals the Annual Costs, or until the Maximum Annual Special Tax has been reached.

- C. Levy on each Taxable Parcel the amount calculated above.
- D. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will not be sent later than the date required by the Auditor for such inclusion.

6. Records Maintained for the CFD

As development occurs in the CFD, the CFD Administrator will maintain a file containing records of the following information for each Parcel:

- The current County Assessor's Parcel Number.
- The designated and existing uses for each parcel.
- The total number of Multifamily Residential Use Units assigned to each Parcel.
- The total acreage of Undeveloped Parcels.

The file containing the information listed above will be available for public inspection.

7. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

The CFD Administrator will make every effort to correctly calculate the Special Tax for each Parcel. It will be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and their Special Tax assignments. Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the CFD Administrator appealing the levy of the Special Tax. The CFD Administrator then will promptly review the appeal and, if necessary, meet with the applicant. If the CFD Administrator verifies that the tax should be modified or changed, the Special Tax levy will be corrected, and if applicable in any case, a refund will be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, or any definition applicable to the CFD.

Without Council approval, the CFD Administrator may make minor, non-substantive administrative and technical changes to the provisions of this Exhibit that do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax for purposes of the administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

8. Prepayment of the Special Tax Obligation

The Maximum Annual Special Tax for a Taxable Parcel may not be prepaid. The Special Tax is collected to fund Authorized Services in perpetuity, or until the Council determines that the Special Tax should no longer be collected.

9. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, that the CFD Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

**Attachment 1
 The Creamery
 Community Facilities District No. 2014-08
 Maximum Annual Special Tax by Category (Base Year 2015-16)**

Land Use Category	Maximum Annual Special Tax [1]	
Developed Parcels		
Single Family Residential Use	\$331	per Residential Unit
Condominium Unit	\$331	per Residential Unit
Multifamily Residential Uses	\$331	per Residential Unit
Mixed-Use Residential Uses	\$331	per Residential Unit
Final Use Parcels	\$4,670	per Acre
Undeveloped Parcels	\$4,670	per Acre

[1] The Maximum Annual Special Tax is increased by the Tax Escalation Factor in each Fiscal Year after the Base Year.

Attachment 2

The Creamery Community Facilities District No. 2014-08 List of Authorized Services

The authorized services to be financed with the Special Tax are set forth below. The Special Tax may be levied to pay for any authorized services and to accumulate funds for that purpose. The primary function of CFD No. 2014-08 is to fund the maintenance and repair of landscaped areas within public rights-of-way that are above the City standard and maintenance and repair of landscaping and amenities for the open space reserved as a future connection of the 10th street corridor.

The authorized services for CFD No. 2014-08 consist of the following:

1. Weed abatement and the repair and maintenance of landscaping, irrigation facilities, lighting, sound walls, monuments, signs and other appurtenances within and along public rights-of-way.
2. Maintenance and repair of landscaping and amenities for the open space reserved as a future connection of the 10th street corridor.
3. Costs of scheduled inspection of maintenance of landscaped areas.
4. Utility bills associated with maintenance of landscaped areas.
5. Establishing costs for CFD No. 2014-04.
6. Collecting and administering the Special Tax and annually administering CFD No. 2014-08.
7. Miscellaneous costs related to any of the items described above, including costs of planning, engineering, legal services, and administration.