REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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PUBLIC HEARING
October 31, 2006

Honorable Mayor and
Members of the City Council

Title: Annexation No. 15 to the Neighborhood Park Maintenance Community Facilities District No. 2002-02 – Public Hearing

Location/Council District: The Neighborhood Park Maintenance Community Facilities District (CFD) No. 2002-02 is located Citywide. Annexation No. 15 will include 42 separate areas located Citywide (Exhibit "A", Page 11).

Recommendation: 1) Adopt a **Resolution** establishing the CFD annexation, providing for Levy of Special Tax and calling for a Special Election on November 15, 2006.

Contact: Sini Makasini, Administrative Analyst, (916) 808-5628; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Planning

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis

Issue: The development of new residential housing is required to annex into the existing Neighborhood Park Maintenance CFD. Approval of this annexation will authorize the City to collect assessments per residential unit to provide funding for the maintenance of neighborhood parks.

Policy Considerations: The procedures under which this CFD annexation is being initiated are set forth in Government Code, Sections 53311-53368.3, entitled "The Mello-Roos Community Facilities Act of 1982." Annexation into this District is consistent with the City's Strategic Plan 3-Year Goal to "achieve sustainability and enhance livability".

Environmental Considerations: Under California Environmental Quality Act (CEQA) Guidelines, administration and annexation into a CFD does not constitute a project and therefore is exempt from review.

Committee/Commission Action: None

Rationale for Recommendation: The actions in the recommended Resolution are required by the Mello-Roos Community Facilities Act of 1982 (in Government Code Sections 53339-53339.9) for annexation into an existing district.

Financial Considerations: The Neighborhood Park Maintenance CFD has been structured to reduce reliance on the General Fund for neighborhood park maintenance and to preserve the level of maintenance in the parks system.

It is projected that revenues from this CFD will provide approximately 65-70% of the cost associated with maintaining new neighborhood parks for those areas that annex to the District. The balance of costs will be borne by the Citywide Landscape and Lighting District and other City funds. The maximum annual Special Tax rates levied on new residential properties for FY 2006/07 are $51.94 per single-family parcel and $30.30 per multi-family unit.

The Special Tax for future years may be adjusted with an annual escalation factor based on the Consumer Price Index, not to exceed 4%.

Emerging Small Business Development (ESBD): None. No goods or services are being purchased.

Respectfully Submitted by: _____
Mark Griffin
Fiscal Manager, Planning Department

Approved by: _____
Carol Shearly
Director, Planning Department

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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Attachment 1

BACKGROUND

On June 25, 2002, City Council approved formation of the Neighborhood Park Maintenance CFD. This CFD provides a funding mechanism to help the Parks and Recreation Department maintain neighborhood parks. This annexation, as well as future annexations, will consist of new residential development throughout the City. The development projects for this annexation are listed as follows:

- Parcel maps of 470 Jessie Avenue Condos, 2870 38th Avenue, 3491 Elvas Avenue, 2632 American Avenue, 3019 & 3021 I Street, 501 Rimmer Avenue, 3101 35th Avenue, 2101 V Street, 2031 S Street Condos, 4560 67th Street, 1306 G Street Condos, 551 Cleveland Avenue, 2690 Hawthorne Street, 2769 Wah Avenue, 3616 37th Street, 682 Plaza Avenue, 5782 Broadway, 2254 North Avenue, 360 Cleveland Avenue, 2310 Q Street, 3821 T Street, 2723 & 2733 Altos Avenue, L Street Lofts, Whiskey Hill Lofts, Beth Estates Unit No. 2, Brown Phillips Court

- Subdivision maps of Northview Village, Natomas Central, Westwood Final Map, Terraces at Commerce Station, Westlake Village Greens Phase 1, Del Paso Nuevo, Del Paso Nuevo Unit 4, Sheldon 20, Cameron 5, Hamptons Village 6, Schumacher Property Phase 8, Ripley Manor, Hampton Station, Natomas Place, River Oaks Phase 1, Sutter Townhomes

The above projects consist of 5,178 units, bringing the total to 22,002 residential units.

Attachment 2

SCHEDULE OF PROCEEDINGS

ANNEXATION NO. 15 TO THE NEIGHBORHOOD PARK MAINTENANCE COMMUNITY FACILITIES DISTRICT (CFD) NO. 2002-02 SCHEDULE

September 26, 2006	City Council – Resolution of Intention
September 27, 2006	Mail Notice of Hearing
October 31, 2006	**City Council – Public Hearing, Call for Special Election**
November 1, 2006	Mail Ballots
November 15, 2006	Ballots Due
November 28, 2006	City Council - Election Results & Pass for Publication Ordinance to Levy Tax
November 29, 2006	Record Notice of "Special Tax"
December 5, 2006	City Council - Adopt Ordinance to Levy Tax

Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

ESTABLISHING ANNEXATION NO. 15 TO THE NEIGHBORHOOD PARK MAINTENANCE COMMUNITY FACILITIES DISTRICT NO. 2002-02; PROVIDING FOR THE LEVY OF A SPECIAL TAX TO FINANCE MAINTENANCE SERVICES; AND CALLING A SPECIAL ELECTION ON THE QUESTION OF LEVYING THE SPECIAL TAX AND ESTABLISHING AN APPROPRIATIONS LIMIT

BACKGROUND:

A. The City Council has previously established the City of Sacramento Neighborhood Park Maintenance Community Facilities District No. 2002-02 (the District) in accordance with the Mello-Roos Community Facilities Act of 1982 (Gov. Code, 53311-53368.3) (the "Act") to finance maintenance and related services within the District (the "Services") in accordance with the Act. Generally described in **Exhibit B** to this resolution, the Services are necessary to meet increased demands placed upon the City as a result of development within the District. The cost of the Services includes expenses incidental to provision of the Services (including planning costs); costs of environmental evaluations; costs to establish the District and Annexation No. 15, to determine the amount of any taxes, and to collect the taxes; and costs otherwise incurred in order to carry out the authorized purposes of the District.

B. On September 26, 2006, the City Council adopted Resolution No. 2006-708 (the "Resolution of Intention") declaring its intention to annex territory to the District and designating that territory as Neighborhood Park Maintenance Community Facilities District No. 2002-02 (Annexation No. 15).

C. The Resolution of Intention fixed a time and place for a public hearing at which the City Council would consider (1) the addition of Annexation No. 15 to the District; (2) the proposed rate, method of apportionment, and manner of collection of a Special Tax to finance providing the services for Annexation No. 15; and (3) all other matters set forth in the Resolution of Intention.

D. A report on the proposal to add Annexation No. 15 to the District was prepared by the City's Director of Parks and Recreation in accordance with the Resolution of Intention. The City Council has reviewed the report, which is incorporated into this Resolution and made a part of the record of the public hearing on the Resolution of Intention.

E. In accordance with the Resolution of Intention, the City Council convened a public hearing at 2:00 p.m. on Tuesday, October 31, 2006, in the City Council's regular meeting place: City Council Chambers, Sacramento City Hall, 915 I Street, first floor, Sacramento, California. At the hearing, the City Council considered the addition of Annexation No. 15 to the District; the proposed rate, method of apportionment, and manner of collection of the Special Tax; and all other matters set forth in the Resolution of Intention. All persons interested in these matters, including all taxpayers, property owners, and registered voters within the boundaries of Annexation No. 15, were given an opportunity to appear and be heard, and the City Council heard and considered the testimony of all such interested persons for or against following: the addition of Annexation No. 15 to the District, the levy of the special tax, the extent of the territory to be annexed, the types of Services proposed to be provided, and any other matters set forth in the Resolution of Intention. The special tax was not precluded by a majority protest under Government Code section 53339.6, and at the conclusion of the hearing the City Council was fully advised in the premises and was authorized to proceed as provided in this Resolution.

F. On the basis of all the foregoing, the City Council has determined to call an election within Annexation No. 15 to authorize the following: (1) the levy of a Special Tax on real property within Annexation No. 15 to pay for the Services proposed to be provided for Annexation No. 15 (the rate, method of apportionment, and manner of collection of the tax are more particularly described in **Exhibit C** to this Resolution); and (2) the establishment of an appropriations limit for Annexation No. 15.

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

Section 1. The City Council finds and determines that the recitals set forth above are true.

Section 2. The City Council approves the Resolution of Intention and confirms all of its determinations and findings. The rate, method of apportionment, and manner of collection of the special tax for Annexation No. 15 are set forth in **Exhibit C** to this Resolution. Upon recordation of a notice of Special Tax lien in accordance with Streets and Highways Code section 3114.5, a continuing lien to secure each levy of the Special Tax will attach to all nonexempt real property in Annexation No. 15. The lien will continue in effect until the collection of the Special Tax ceases or the lien is canceled in accordance with law.

Section 3. The City Council determines and finds that written protests against the establishment of Annexation No. 15, the levy of the Special Tax, the extent of Annexation No. 15, and the types of Services to be provided do not constitute a majority protest under the Act. Accordingly, the City Council overrules all protests to the establishment of Annexation No. 15, to the levy of the Special Tax, the extent of Annexation No. 15, the types of Services to be provided, or the establishment of an appropriations limit for Annexation No. 15.

Section 4. The City Council determines and finds that all of its prior proceedings with respect to the addition of Annexation No. 15 to the District are valid and conform to the requirements of the Act. Accordingly, the City Council determines and orders, consistent with the Resolution of Intention and in accordance with the Act, that the territory comprised by Annexation No. 15 be added to the District and that the boundaries of Annexation No. 15 are as set forth in **Exhibit A** to this Resolution.

Section 5. Except when funds are otherwise available, a Special Tax will be levied annually on real property within Annexation No. 15 in an amount sufficient to do the following, as appropriate: (a) pay for the Services; (b) repay funds advanced by the City for Annexation No. 15; and (c) repay advances of funds or reimburse the value or cost (whichever is less) of work provided in kind for Annexation No. 15 under agreements between the City and the persons or entities advancing the funds or providing the work (these agreements will not constitute debts or liabilities of the City). The Special Tax will be secured by recordation of a continuing lien against all nonexempt property in Annexation No. 15. **Exhibit C** to this Resolution sets forth the rate, method of apportionment, and manner of collection of the Special Tax in sufficient detail to allow each landowner or resident within Annexation No. 15 to estimate the maximum amount that the landowner or resident will have to pay.

Section 6. In accordance with Government Code section 53317.3, the City Council intends to levy the Special Tax on property that is not otherwise exempt from the Special Tax and is acquired by a public entity through a negotiated transaction or by gift or devise.

Section 7. In accordance with Government Code section 53317.5, the City Council intends to treat the Special Tax levied against property that is acquired by a public entity through eminent domain proceedings as if it were a special annual assessment.

Section 8. In accordance with Government Code section 53340.1, the City Council intends to levy the Special Tax on the leasehold or possessory interests in property owned by a public agency and otherwise exempt from the Special Tax.

Section 9. A special election is ordered to be held, in accordance with the Act, applicable law, and this resolution, on **Wednesday, November 15, 2006**, in the territory comprised by Annexation No. 15. At the special election, the question of levying the special tax on real property within Annexation No. 15 and establishing an appropriations limit (as defined by article XIIIB, section 8, subdivision (h) of the California Constitution) in the amount of **$290,000** per fiscal year for Annexation No. 15 will be submitted to the landowners within Annexation No. 15 (who are the electors and persons qualified to vote at the special election).

Section 10. The City Clerk is designated as the official to conduct the special election in accordance with the Act, applicable law, and the following provisions:

(a) The special election will be held and conducted, the votes canvassed and the returns made, and the results ascertained and determined, all as provided in this

section 10. In all particulars not prescribed by this Resolution, the special election will be held and conducted and the votes received and canvassed in the manner provided by law for holding of general elections in the City and consistent with the Act.

(b) All landowners within Annexation No. 15 on the date of the special election will be qualified to vote on the proposition submitted at the special election.

(c) The special election will be conducted as a mailed-ballot election in accordance with Elections Code sections 4000, 4002, 4003, 4004, and 4108 and the City's prior proceedings under those sections, and there will be no polling places for the special election. The City Clerk is directed to deliver all ballots to the qualified electors, and all voted ballots must be received at the City Clerk's office **by 5:00 p.m. on the election day** to be counted. If, however, all qualified electors have voted before that date and time, then the election will be closed.

(d) To vote for levying the Special Tax and establishing the appropriations limit, a voter must mark a cross (+) in the blank space opposite the word "YES" on the ballot to the right of those proposition. To vote against levying the special tax and establishing the appropriations limit, a voter must mark a cross (+) in the blank space opposite the word "NO" on the ballot to the right of the proposition. A cross (+) may be marked with either pen or pencil.

(e) The City Clerk shall commence the canvass of the returns of the special election at **5:00 p.m. on Wednesday, November 15, 2006**, at the City Clerk's office, Sacramento City Hall, 915 I Street, first floor, Sacramento, California, and at the conclusion of the canvass shall determine the results of the special election. If all the qualified voters have voted before that date and time, then the City Clerk shall close the special election and proceed to canvass the returns and determine the results.

(f) The City Council shall meet at its regular meeting on **Tuesday, November 28, 2006, at 2:00 p.m.** at its usual meeting place and declare the results of the special election, and shall cause to be spread upon its minutes a statement of the results of the special election as ascertained by the canvass.

Section 11. If two-thirds of the votes cast upon the question of levying the Special Tax and establishing the appropriations limit are cast in favor of levying the Special Tax and establishing the appropriations limit, as determined by the City Council after reviewing the canvass of the returns of the election, then the City Council may levy the Special Tax within the territory of Annexation No. 15 in accordance with the Act, in the amount and for the purposes specified in this resolution, and the appropriations limit will be established for Annexation No. 15, as defined by article XIIIB, section 8, subdivision (h) of the California Constitution. The Special Tax may be levied only at the rate and may be apportioned only in the manner specified in this Resolution, subject to the Act, except that the Special Tax may be levied at a rate lower than the rate specified in **Exhibit C**. The Special Tax may be levied only so long as it is needed to pay for the

Services (including the repayment of funds advanced for Annexation No. 15).

Section 12. The Administrative Analyst, Public Improvement Financing, Planning Department of the City, 915 I Street, 3rd Floor, Sacramento, California 95814 (telephone 916-808-7967) will be responsible for preparing annually a current roll of Special Tax levy obligations by Sacramento County Assessor's parcel numbers, and will be responsible for estimating future Special Tax levies pursuant to Government Code section 53340.1.

Section 13. Exhibits A, B, and **C** are part of this resolution.

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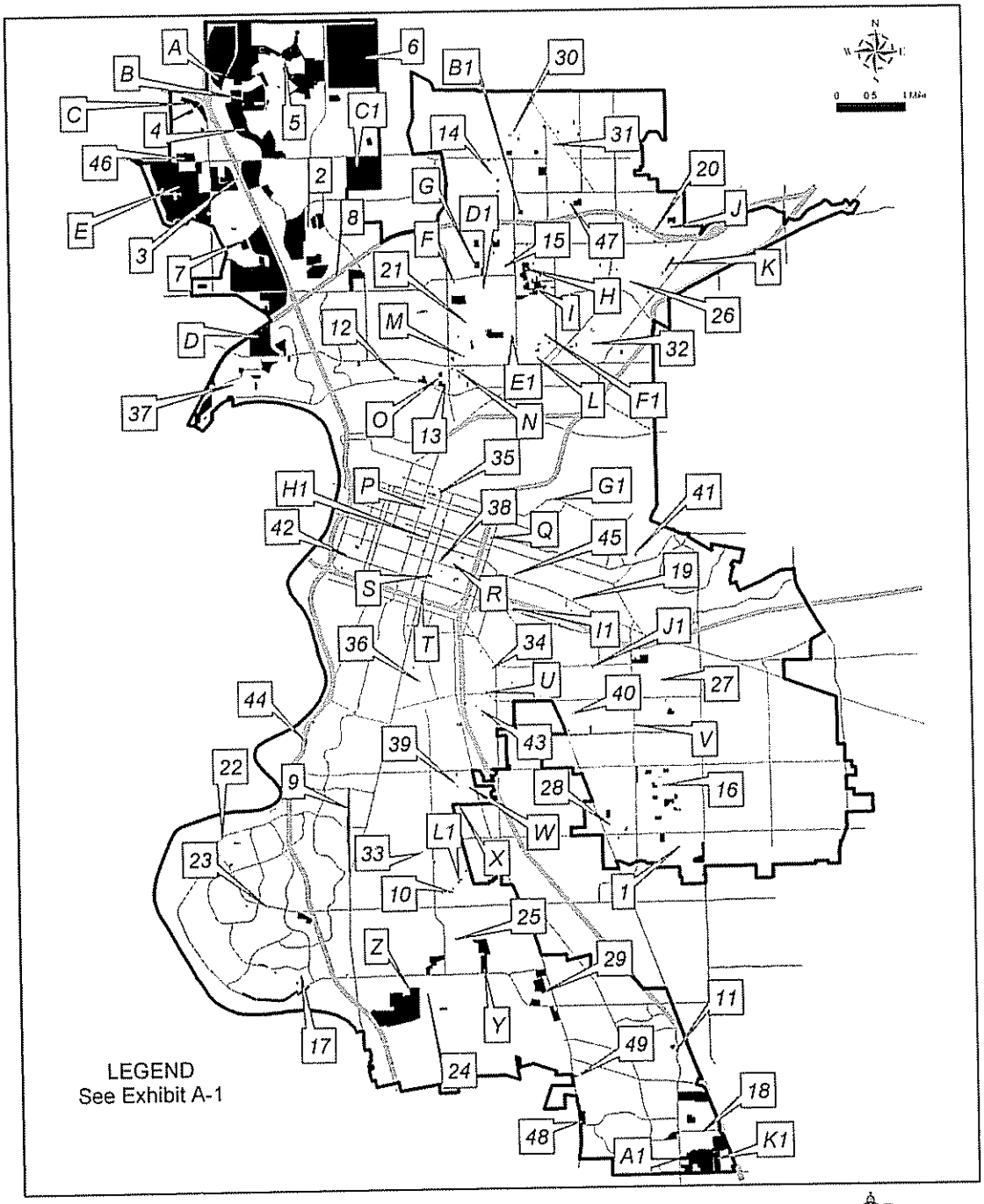
EXHIBIT A



Area Map

EXHIBIT A-1

Neighborhood Park Maintenance CFD No. 2002-02

Area Map Legend

Existing Boundaries

1. Elder Creek Park #2, Rock Creek & Glen Elder # 8 & 9, 6900 Power Inn Rd., Power Inn Rd./50th Ave.
2. Calif. Traditions Apts. & Natomas Crossing II, Carriage Lane, Natomas Field & Strawberry Field
3. Cambay West
4. Creekside
5. N. Natomas Estates, The Meadows, Heritage, Natomas Creek & Northborough II, The Hamptons, Natomas Park Common, Hampton Villages, JMA North Natomas Village
6. Regency Park
7. Parkview & Market West Parcel Map, Riverdale North
8. Natomas Crossing 20, Machado Property, Sonora Springs
9. East Land Park Village
10. Vasquez lot split & 2732 Wah Ave. Parcel Map, Fernandez Parcel Map, 2805 Wah Ave., 2501 Yreka Ave.
11. Regency Place #5
12. Azuza St. Parcel Map
13. Morell Estates & 321 Jefferson Ave., Peralta Estates, Northview, Village Apts., 2399 American Ave., 441 Harding Ave., Garden Villas Condominiums
14. 220 Main Ave. Parcel Map, & 4416 Austin St., 4540 Austin St., 250 Main Ave.
15. Del Paso Nuevo #3, 548 Grand Ave., 817 Evans St. & Vitally Estates, 231 Morey Ave., 3541Taylor St., Nanuk Estates, 52 Morrison Ave., Morrison Point Unit 2, 3701 Norwood Ave., 700 Hayes Ave., 3408 Taylor St., 645 Ford Rd., Silver Eagle Place
16. Bellview Estates, 71st St. Estates, 66th St., Lemon Blossom Estates & Country Ln. Estates & Lemon Acres, Belleview Estates, Fruitridge & 65th Expressway, 5751 71st St., 7440 Lemon Hill Ave.
17. Terry Parcel Map, 7648 Northland Dr., Islands at Riverlake Reflections at Rush River & Still Breeze Dr. (Yeh & Lai Parcel Map 7680 Marina Cove Dr., Alma Vista/Pocket PM, Lake Front Dr.
18. Laguna Vista, Laguna Vega, Shasta Estates., Sheldon Whitehouse & College Square, Wolf Ranch Condominiums, North Laguna Pointe, Sheldon Farms,
19. 4901 T St. & 52nd & J St., 1620 52nd St.
20. Dayton St., Astoria Place & Astoria Place Apts., 1812 North Ave., 3913 Mahogany St., 3941& 3945 Mahoghany St.
21. Garden Oaks & 241 Haggin Ave., & 240 Haggin Ave., Johnston Park, 440 Bowman Ave.
22. 783, 767 & 795 Shoreside Dr, & 6490 Grangers Dairy & Del Ponte Parcel Map (Riverside Blvd.) Villa Bignasco
23. NR Homes (El Macero Way) & Sycamore Terrace Apts., 445 Spinnaker Way
24. Meadowview Estates, Beth Estates, Steamboat Bend & Meadowview Estates North, 24th St./ Laramore Way, Buena Park Subdivision
25. 29th St. & 65th Ave. & Buena Park

Existing Boundaries

26. Fitton Parcel Map (Craigmont St.), Rosalind & Marysville, 1638 Rosalind, 1429 Nogales St., Catskill Way Parcel Map
27. Jefferson Commons & 3913 - 73rd St.
28. Lemon Hill & 6129 48th Ave., 6295 63rd St.
29. Sunmeadow Retirement Community, Brookfield Meadows Unit 2, Liberty Lane, Villa Terassa
30. 309 Pinedale Ave. & 436 Exchange, 486 Pinedale Ave., 4837 Sully St., Fontaine Estates
31. 5100 Ada Lane. & 1113 Claire Ave., Mulder Estates, Alt Vista Meadows, 5145 Rio Linda Blvd., 5045 Dry Creek Rd., 700 Pinedale Ave.
32. Glenrose Ave. & Ashley Oaks Haven, Frienza Ct., 2628 Beaumont St., 1081 Glenrose Ave., 2890 Taft St., 2623 Altos Ave.
33. 2300 Thompson Way, 2404 and 2408 51st Ave.
34. 3423 40th St., 4th Ave. Lofts
35. 2201 6th St., Village at Washington Park
36. 14th & C, 2020 H St., 3663 24th St.
37. Riverbend, Treasure Homes, West El Camino Condominiums
38. 2608 R St., 1416 19th St., Monier-R St.
39. 2870 34th Ave., 2851 32nd Ave.
40. 5685 21st St., 5200 20th Ave., 5401 10th Ave.
41. Camellia/Sandburg Parcel Map
42. Socap Lofts, 2200 5th St.
43. 4116 36th Street, 3400 12th Ave., Lot 4 Temple Ave., 16th Ave. & Temple Ave., 3908 Sumac Lane, 4414 Franklin Blvd.
44. 5001 Karbet Way, 1100 Derick Way
45. 3641 Folsom Blvd.
46. Westlake Parcel 31
47. 4305 Dry Creek Rd., 4251 Dry Creek Rd. and 4233 May St.
48. Wickford Square
49. Somerset

Proposed Annex Boundaries

A. Terraces at Commerce Station
B. The Hamptons Villages 6 & 7, Schumacher Property Phase 8
C. Westlake Village Greens Phase 1
D. River Oaks Phase 1
E. Natomas Central
F. 501 Rimmer Ave.
G. Westwood Final Map
H. Del Paso Nuevo Unit 4
I. Del Paso Nuevo
J. 2254 North Ave.
K. Ripley Manor
L. 682 Plaza Ave.
M. 2632 American Ave.

Proposed Annex Boundaries

N. 551 Cleveland Ave. & 360 Cleveland Ave.
O. Northview Village
P. 1706 G St. Condos
Q. 3014 & 3021 I Street
R. 2310 Q St. & Sutter Townhomes
S. 2031 S St. Condos & Whiskey Hill Lofts
T. 2101 V St.
U. 3616 37th St.
V. 4560 67th St.

Exhibit B

City of Sacramento, California
Neighborhood Park Maintenance
Community Facilities District No. 2002-02

LIST OF AUTHORIZED SERVICES

The authorized services include those set forth below in addition to the costs associated with collecting and administering the Special Taxes, and annually administering the District. The Special Taxes may be levied to pay for any authorized Services or to accumulate funds for that purpose. The primary function of the Community Facilities District (CFD) is to fund the maintenance of neighborhood parks in the City of Sacramento. The CFD's authorized Services include the following:

1. The maintenance of landscaping, recreation facilities, irrigation facilities, lighting, necessary maintenance equipment, and other appurtenances and improvements within neighborhood parks (including those areas designated as neighborhood serving in conjunctive use park land within drainage detention basins, community parks, regional parks and parkway systems)

2. CFD formation and annual administration of the District

3. Other miscellaneous services related to items 1 or 2, including planning, engineering, legal, elections, and administration

Exhibit C

City of Sacramento, California
Neighborhood Park Maintenance
Community Facilities District No. 2002-02

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in Neighborhood Park Maintenance Community Facilities District No. 2002-02 (the "CFD") of the City of Sacramento (the "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 estimated costs incurred by the City to form the CFD and to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"**Annexation Parcel**" means a Parcel which was not included within the boundaries of the CFD at the time of formation. Parcels are required to annex to the District based upon City policy.

"**Annual Costs**" means for each Fiscal Year, the total of 1) Authorized Services 2) Administrative Expenses; and 3) any amounts needed to cure actual or estimated delinquencies in Special Taxes for the current or previous Fiscal Year.

"**Assessor**" means the Assessor of the County of Sacramento.

"**Authorized Services**" mean those services authorized for funding under the CFD, as listed in the resolution forming the CFD.

"**Base Fiscal Year**" means the Fiscal Year beginning July 1, 2002 and ending June 30, 2003.

"**CFD**" means the Neighborhood Park Maintenance Community Facilities District No. 2002-02 of the City of Sacramento, California.

"**City**" means City of Sacramento, California.

"**Condominium/Townhouse Residential Parcel**" means a Parcel created by a subdivision map, building permit, or action of the County Assessor, that creates individual condominium or townhouse Parcels. The number of Residential Units assigned to each Condominium/Townhouse Parcel is determined by the number of condominium or townhouse units created by subdivision map or building permit for each Parcel.

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

"**County**" means the County of Sacramento, California.

"**Developed Parcel**" means a Parcel that has a recorded final subdivision map or has ben issued a building permit or special use permit for the land uses stated below:

Land Use	**Developed Parcel Trigger**
Single Family Residential Parcel(s)	-Final Subdivision Map
Condominium/Townhouse Residential Parcel(s)	-Final Subdivision Map
Duplex/Half-plex/Tri-plex Residential Parcel(s)	-Building Permit
Multi-Family Residential Parcel(s)	-Building Permit
Mobile Home Park Parcel(s)	-Special Use Permit
Mixed Use Parcel(s)	-Building Permit

"**Duplex/Tri-plex Residential Parcel**" means a Parcel with a building permit for a duplex or a tri-plex residential use. The number of Residential Units assigned to a Duplex/Tri-plex Residential Parcel is two for a duplex residential structure and three for a tri-plex residential structure.

"**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 Parcel calculated by multiplying the Maximum Annual Special Tax Rate times the Residential Units assigned to each Developed Parcel.

"**Maximum Annual Special Tax Rate**" means the amount shown in **Attachment 1** for a Fiscal Year that is used in calculating the Maximum Annual Special Tax for a Parcel based on its land use classification.

"**Maximum Annual Special Tax Revenue**" means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Annual Special Tax Rates.

"**Mixed Use Parcel**" means a Parcel with a building permit for a mix of uses, which includes residential uses. The number of Residential Units assigned to a Mixed Use Parcel is determined at building permit issuance for the original structure, or by subsequent building permits issued for further tenant improvements.

"**Mobile Home Park Parcel**" means a Parcel with a special use permit for a mobile home park. The number of Residential Units assigned to the Mobile Home Park Parcel is determined by the number of spaces available for the placement of mobile homes.

"**Multi-Family Residential Parcel**" means a Parcel with a building permit for multi-family residential use. The number of Residential Units assigned to a Multi-Family Residential Parcel is determined at building permit issuance.

"**Non-Residential Use Parcels**" means Parcels designated for commercial, industrial, office, or other non-residential uses. Parcels with uses other than residential uses are Tax-Exempt.

"**Parcel**" means any Assessor's parcel in the CFD based on the equalized tax rolls of the County as of March 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 March 1 of each Fiscal Year.

"**Public Parcel**" means, except as otherwise provided herein, any Parcel, that is publicly owned, not used for residential purposes, and normally exempt from the levy of general *ad valorem* property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways; public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes. Any such Parcel shall be a Tax-Exempt Parcel.

"**Residential Unit(s)**" means the number of taxable residential dwelling units assigned to a Parcel based on its Developed Parcel tax category assignment.

"**Single Family Residential Parcel**" means a single family residential lot created by the recordation of a final subdivision map, which has a building permit issued for a single family residential dwelling. A Single Family Residential Parcel is assigned one Residential Unit.

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

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

"**Taxable Parcel**" means any Parcel that is not a Tax-Exempt Parcel.

"**Tax Escalation Factor**" means an annual percentage increase in the Maximum Annual Special Tax Rate based upon the Consumer Price Index (CPI) (prior calendar year annual average, San Francisco, All Urban Consumers (CPI-U) Index, not to exceed 4% in any given year.

"**Tax-Exempt Parcel**" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels are (i) Public Parcels including developed parcels acquired by a public agency (subject to the limitations set forth in **Section 4**, below), (ii) Undeveloped Parcels, or (iii) Non-Residential Use Parcels. Privately owned Parcels that are non-developable, such as common areas, wetlands, and open space, are exempt from the levy of Special Taxes as determined by the City.

"**Undeveloped Parcel**" means a Parcel that is not a Developed Parcel or a Non-Residential Use Parcel.

3. Duration of the Special Tax

Parcels in the CFD will remain subject to the service tax in perpetuity.

4. Assignment of Maximum Annual Special Tax

A. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions above, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the City shall classify each Parcel as a Tax-Exempt Parcel or Taxable Parcel. Only Taxable Parcels are subject to the Special Tax according to the formula detailed below.

It shall be the burden of the taxpayer to timely correct any errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

B. Assignment of Maximum Annual Special Tax.

By August 1 of each Fiscal Year, using the Definitions from **Section 2** and the Maximum Annual Special Tax Rates from **Attachment 1**, the Finance Director shall assign the Maximum Annual Special Taxes to Parcels as follows:

1) **Developed Parcels:** Parcels shall be assigned a Maximum Annual Special Tax using the following steps. The Maximum Annual Special Tax Rate is increased by the Tax Escalation Factor in each Fiscal Year after the Base Fiscal Year.

   a. **Single Family Residential Parcels**. The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Single Family Residential Parcels by the number of Residential Units assigned to the Parcel.

   b. **Duplex/Half-Plex/Tri-plex Residential Parcels**. The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Duplex/Half-Plex/Tri-plex Residential Parcels by the number of Residential Units assigned to the Parcel.

   c. **Multi-Family Residential Parcels**. The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Multi-Family Residential Parcels by the number of Residential Units assigned to the Parcel.

   d. **Condominium/Townhouse Parcels**. The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Condominium/Townhouse Parcels by the number of Residential Units assigned to the Parcel

   e. **Mixed Use Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Mixed Use Parcels by the number of Residential Units assigned to the Parcel.

   f. **Mobile Home Park Parcels**. The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Mobile Home Park Parcels by the number of Residential Units assigned to the Parcel.

2) **Annexation Parcels:** The City will require the periodic annexation of Parcels to the CFD. When Parcels are annexed to the CFD, the City will first determine if they are Taxable or Tax-Exempt, using the Definitions in **Section 2**. For Developed Parcels, the City will assign the number of Residential Units for each Parcel based on Assessor Parcel records, building permit or special use permit records, recorded final subdivision map, or other relevant information obtained by the City. The City then shall assign a Maximum Annual Special Tax Rate to Developed Parcels using the Definitions in **Section 2** and **Attachment 1** (applying the Tax Escalation Factor as permitted) and calculate the Maximum Annual Special Tax following the steps in **Section 4.B(1)**.

3) **Conversion of a Tax-Exempt Parcel to a Taxable Parcel**: If a Public Parcel is not needed for public use and is converted to private residential use, it shall become subject to the Special Tax. A Maximum Annual Special Tax Rate will be assigned using the Definitions in **Section 2** and **Attachment 1** (applying the Tax Escalation Factor as permitted) and calculate the Maximum Annual Special Tax following the steps in **Section 4.B(1)**.

4) **Taxable Parcels Acquired by a Public Agency**: A Taxable Parcel that is acquired by a public agency after the CFD is formed will be re-classified as Tax-Exempt provided it is determined by the City in the exercise of its sole discretion, that it is no longer used for residential purposes.

5. Calculating Annual Special Taxes

The City shall assign the Maximum Annual Special Tax per Taxable Parcel based on **Attachment 1** as adjusted annually by the Tax Escalation Factor.

The City shall prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for that Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the County Auditor-Controller for such inclusion.

The City shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to timely prove any alleged errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

6. Records Maintained for the CFD

As development takes place within the CFD, the City will maintain a file containing the following information regarding each Parcel:

- The current Parcel Number;

- Whether a final subdivision map has been recorded or whether a building permit or special use permit for residential use has been issued; and
- The number of residential units assigned to that Parcel.

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

7. Appeals and Interpretation Procedure

Any taxpayer may contest the levy of the Special Tax by filing a written notice of appeal, setting forth with specificity the grounds for appeal, with the City Manager. Any such notice must be filed within thirty (30) days following the formation of the CFD, or annexation of the property that is the subject of the appeal to the CFD; and failure to do so within the time period specified herein constitutes a bar to any such appeal. Grounds for appeal are limited to the following: (i) clerical errors in assigning an amount of tax to a parcel and (ii) an error in defining the use of a parcel or its classification. The City Manager, or designee, shall promptly review the appeal, and if necessary, meet with the appellant.

If the findings of the City Manager verify that the Special Tax should be modified or changed, a recommendation to that effect shall be made to the Council, and as appropriate, the Special Tax levy shall be corrected and, if applicable in such case, a credit for next year's Special Tax levy shall be granted. If the City Manager denies the appeal, the taxpayer may file an appeal of that determination with the Council within fourteen (14) days of the mailing of notification of the City Manager's decision; and failure to do so within the time period specified herein constitutes a bar to such an appeal. The Council may hear the appeal, or refer it to a hearing officer pursuant to Chapter 1.24 of the Sacramento City Code. The hearing on the appeal shall be conducted not more than thirty (30) days following the filing of the appeal of the City Manager's determination. The failure of the Council or the appointed hearing officer to timely hear the appeal, or to render a decision within thirty (30) days following the conclusion of the hearing thereon, shall constitute a denial of the appeal. The determination of the Council or hearing officer on the appeal shall be final for all purposes. The filing of a written notice contesting the levy of the Special Tax or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to any of the terms or provisions of this Rate and Method of Apportionment.

Attachment 1 to Exhibit C
City of Sacramento CFD No.2002-02 Neighborhood Park
Maximum Annual Special Tax Rates – Base Fiscal Year [1]

Tax Category	Base Year 2002-2003 Maximum Annual Special Tax Rate [1]
Developed Parcels [3]	**per Residential Unit**
Single-Family Residential Parcels	$48.00
Condominium/Townhouse Parcels	$48.00
Duplex/Half-plex/Tri-plex Residential Parcels	$48.00
Multi-Family Residential Parcels	$28.00
Mixed Use Parcels	$28.00
Mobile Home Park	$28.00
Other Uses	
Non-Residential Use Parcels [4]	*Tax-Exempt*
Undeveloped Parcels [5]	*Tax-Exempt*
Public Parcels	*Tax-Exempt*

"attachment_1"

[1] The Base Fiscal Year for the CFD is Fiscal Year 2002-2003. The Maximum Annual Special Tax Rate will be escalated by the Tax Escalation Factor, not to exceed 4 percent annually thereafter, as determined by the Consumer Price Index

[2] The Maximum Annual Special Tax Rate is applied to the Residential Units assigned to each Taxable Parcel. Condominium/Townhouse Residential Parcels and Single Family Residential Parcels are assumed to have one Unit. Multi-Family Residential Parcels, Mixed Use Parcels, and Mobile Home Park Parcels may have more than one Unit assigned to a Parcel. The number of Residential Units assigned to these Parcels will be determined by the final subdivision map, initial building permit, or subsequent building permits for tenant improvements

[3] Developed Parcels are residential or mixed use Parcels with a building permit for residential use

[4] Non-Residential Use Parcels are commercial, industrial, office, and other non-residential uses

[5] Undeveloped Parcels are Parcels that are not classified as a Developed Parcel or Non-Residential Use Parcel