REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
August 28, 2007

Honorable Mayor and
Members of the City Council

Title: Annexation No. 17 to the Neighborhood Park Maintenance Community Facilities District No. 2002-02 - Initiate Proceedings

Location/Council District: The Neighborhood Park Maintenance Community Facilities District (CFD) No. 2002-02 is located Citywide. Annexation No. 17 will include 22 separate areas located Citywide (Exhibit A, Page 10).

Recommendation: Adopt a **Resolution** of intention to annex territory for Annexation No. 17 to the Neighborhood Park Maintenance CFD No. 2002-02 and set a time and place for a Public Hearing, October 2, 2007.

Contact: Salina Cheung, Program Specialist, (916) 808-5236; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Planning

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis

Issue: New residential developments are required to annex into the existing Neighborhood Park Maintenance CFD. Approval of this annexation will authorize the City to collect assessments from each 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 Fiscal Year (FY) 2007/08 are $53.69 per single family parcel and $31.32 per multi-family unit.

In subsequent years the special tax may be adjusted based on the change in the Consumer Price Index for the preceding 12 months. However, the annual increase shall not 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:

_____
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 5901 71st Street, 1912 6th Street, 401 Broadway, 428 S Street, 440 Carroll Avenue, 1415 S Street, 2537 Wah Avenue, 3528 Y Street, 2740 57th Avenue, 5100 Coppersmith Avenue and 260 Morey Avenue.

- Subdivision maps of The Brownstones, 3110 29th Avenue, Natomas Crossing Area 3 Phase 2, Rose Garden, Hamptons Village 8, Dyer Flats, Reiner Way Extension, 1737 Kathleen Avenue, Twin Oaks Estates, 15th & L Condominiums and Fowler Estates.

The above projects comprise 480 units, bringing the total in the district to 22,331 residential units.

Attachment 2

SCHEDULE OF PROCEEDINGS

ANNEXATION NO. 17 TO THE NEIGHBORHOOD PARK MAINTENANCE COMMUNITY FACILITIES DISTRICT (CFD) NO. 2002-02 SCHEDULE

August 28, 2007	**City Council - Resolution of Intention**
August 29, 2007	Mail Notice of Hearing
October 2, 2007	City Council - Hearing, Call for Special Election
October 3, 2007	Mail Ballots
October 19, 2007	Ballots Due
October 30, 2007	City Council - Election Results & Pass for Publication Ordinance to Levy Tax
October 31, 2007	Record Notice of "Special Tax"
November 6, 2007	City Council - Adopt Ordinance to Levy Tax

Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

INTENTION TO ANNEX TERRITORY TO THE NEIGHBORHOOD PARK MAINTENANCE COMMUNITY FACILITIES DISTRICT NO. 2002-02 AND TO LEVY A SPECIAL TAX WITHIN THE ANNEXED TERRITORY TO FINANCE PARKS MAINTENANCE SERVICES (ANNEXATION NO. 17)

BACKGROUND:

A. The City Council (the "Council") of the City of Sacramento (the "City") has previously established the Neighborhood Park Maintenance Community Facilities District No. 2002-02 (the "District") under the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311 to 53368.3) (the "Act"), and has previously levied a Special Tax on property in the District to pay for neighborhood parks maintenance and related services to be provided within the District, all in accordance with the Act and with title 3, chapter 3.124, of the Sacramento City Code ("Chapter 3.124").

B. The Council has determined that the establishment of the District is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Council and are now in effect. The Council has also determined that public convenience and necessity require that territory be added to the District.

C. The Council is fully advised in this matter.

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

Section 1. The above recitals are true, and the Council so finds and determines.

Section 2. It is the intention of the Council, and the Council hereby proposes, to annex territory to the District in accordance with the Act. The boundaries of the territory proposed for annexation are shown on the map entitled "Area Map" attached hereto as Exhibit A. Exhibit A also shows the territory included in the existing District. A map showing the territory proposed to be annexed (the "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 County Recorder of the County of Sacramento within 15 days

hereafter, and in no event later than 15 days prior to the hearing, 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 proposed annexation to the District is "Neighborhood Park Maintenance Community Facilities District No. 2002-02, Annexation No. 17."

Section 4. The District was formed solely to provide parks maintenance services and for related purposes, and will not finance capital improvements or issue bonds. The services provided in the existing District and the services to be provided in the territory proposed to be annexed are set forth in Exhibit B, attached hereto and incorporated herein by this reference, all of which are as 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 maintenance 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 parks 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. In accordance with Chapter 3.124, certain City-owned property within the District will be subject to the lien for the Special Tax. The tax is to be collected as a separately stated item on the county property-tax bill, but the Council reserves the right to change the method of collection at any time. The Special Tax shall be apportioned according to the number of Residential Units assigned to a parcel, at the per annum tax rates specified in Exhibit C, the "Rate and Method of Apportionment of Special Tax," attached hereto and incorporated herein by this reference. The rates shown in Exhibit C are maximum rates. The Special Tax levied on all parcels may be increased pro rata, but not more than 10%, on account of the default or delinquency of the owner of any parcel. The rates may also be escalated for inflation under Chapter 3.124, as specified in Exhibit C. If tax collections at the stated rates exceed the amount required to pay the Annual Costs, the rates may be reduced in accordance with the formula set forth in Exhibit C. The Special Tax levied and to be collected hereunder shall be in perpetuity, unless and until the need for the parks maintenance and related services no longer exists.

Section 6. It is the intention of the Council, in accordance with section 53317.3 of the Act, to continue to levy the Special Tax on property, not otherwise exempt from the tax, that is acquired by a public entity through a negotiated transaction or by gift or devise; provided, however, that the Council may annually determine whether public property shall be subject to this tax or be tax exempt.

Section 7. It is the intention of the Council, in accordance with section 53317.5 of the Act, to treat the obligation to pay 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; provided, however, that the Council may annually determine whether public property shall be subject to this tax or be tax exempt.

Section 8. It is the intention of the Council, under section 53340.1 of the Act, to levy the Special Tax on the leasehold or possessory interests in property that is owned by a public agency and not otherwise exempt from the Special Tax, to be payable by the owner of the leasehold or possessory interests in the property.

Section 9. It is the intention of the Council, under section 53325.7 of the Act, to establish an appropriations limit for the District, as defined by subdivision (h) of section 8 of article XIIIB of the California Constitution.

Section 10. The Council fixes 2:00 p.m. on October 2, 2007, in the Council Chambers at City Hall, 915 I Street, First Floor, Sacramento, California, as the time and place for a Public Hearing on the proposed annexation to the District, the proposed levy of Special Taxes, and all other matters as set forth in this resolution. At the Public Hearing, any persons interested, including all taxpayers, owners of property within the District, and registered voters residing within the District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the proposed annexation and the levy of the Special Tax within the territory to be annexed, or the parks maintenance and related services to be provided, or any other matters set forth herein, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, 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 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 Council determines to proceed with the proposed annexation of territory to the District, then the question of levying a Special Tax within the area proposed to be annexed will be submitted to the qualified electors of that area in an election under sections 53326, 53339.7, and 53339.8 of the Act, to be held not less than 90 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 those voting approve the measure.

Section 11. In the opinion of the Council, the public interest will not be served by allowing the owners of property in the District to enter into a contract under section 53329.5, subdivision (a), of the Act to perform the parks maintenance and related services to be financed under the Act and Chapter 3.124.

Section 12. The Council directs the Director of Parks and Recreation of the City, to prepare the report required by section 53321.5 of the Act and to file the report with the Council at or before the time of the hearing.

Section 13. The City Clerk is directed to publish and mail notice of the hearing in accordance with sections 53322, 53322.4, and 53339.4 of the Act, as follows:

(a) A notice of Public Hearing in the form required by the Act shall be published in the Daily Recorder, a newspaper of general circulation published in the area of the District. The publication shall be made in accordance with section 6061 of the Government Code and shall be completed at least seven days prior to the date set for the public hearing.

(b) A notice of Public Hearing in the form required by the Act shall be mailed, first-class postage prepaid, to each owner of property within the District and to each registered voter residing within the District. The mailing to property owners shall be made to the property owners at 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 shall 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. All mailings shall be completed at least 15 days prior to the date set for such Public Hearing. The notice of hearing shall include a description of the voting procedures in accordance with section 53322, subdivision (b)(4), of the Act.

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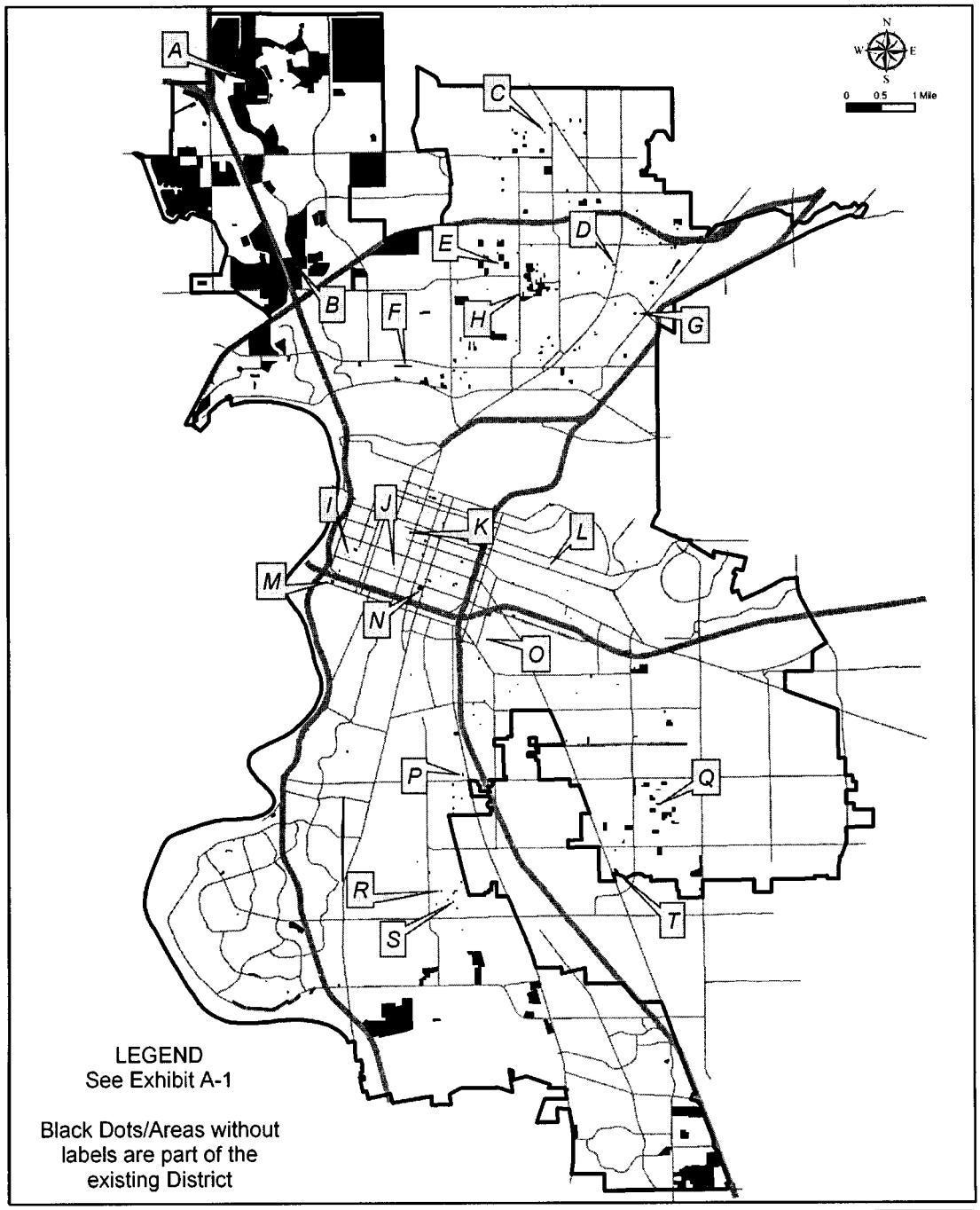
EXHIBIT A



Area Map

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EXHIBIT A-1

Neighborhood Park Maintenance CFD No. 2002-02

Area Map Legend

Existing Boundaries

Elder Creek Park #2, Rock Creek & Glen Elder # 8 & 9, 6900 Power Inn Rd., Power Inn Rd./50th Avenue, Calif. Traditions Apts. & Natomas Crossing II, Carriage Lane, Natomas Field & Strawberry Field, Cambay West, Creekside, N. Natomas Estates, The Meadows, Heritage, Natomas Creek & Northborough II, The Hamptons, Natomas Park Common, Hampton Villages, JMA North Natomas Villages, Regency Park, Parkview & Market West Parcel Map, Riverdale North, Natomas Crossing 20, Machado Property, Sonora Springs, East Land Park Village, Vasquez lot split & 2732 Wah Ave. Parcel Map, Fernandez Parcel Map, 2805 Wah Ave., 2501 Yreka Ave., Regency Place #5, Azuza St. Parcel Map, Morell Estates & 321 Jefferson Ave., Peralta Estates, Northview, Village Apts., 2399 American Ave., 441 Harding Ave., Garden Villas Condominiums, 220 Main Ave. Parcel Map, & 4416 Austin Street, 4540 Austin Street, 250 Main Ave., 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 Road, Silver Eagle Place, Bellview Estates, 71st St. Estates, 66th St., Lemon Blossom Estates & Country Lane Estates & Lemon Acres, Belleview Estates, Fruitridge & 65th Expressway, 5751 71st St., 7440 Lemon Hill Avenue, 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., Laguna Vista, Laguna Vega, Shasta Est., Sheldon Whitehouse & College Square, Wolf Ranch Condominiums, North Laguna Pointe, Sheldon Farms, 4901 T Street & 52nd & J St., 1620 52nd St., Dayton St., Astoria Place & Astoria Place Apts., 1812 North Ave., 3913 Mahogany St., 3941& 3945 Mahoghany Street, Garden Oaks & 241 Haggin Ave. & 240 Haggin Ave, Johnston Park, 440 Bowman Ave., 783, 767 & 795 Shoreside Dr., & 6490 Grangers Dairy & Del Ponte Parcel Map (Riverside Blvd.), Villa Bignasco, NR Homes (El Macero Way) & Sycamore Terrace Apts., 445 Spinnaker Way, Meadowview Estates, Beth Estates, Steamboat Bend & Meadowview Estates North, 24th St./ Laramore Way, Buena Park Subdivision, 29th Street & 65th Avenue & Buena Park, Fitton Parcel Map (Craigmont St.), Rosalind & Marysville, 1638 Rosalind, 1429 Nogales St., Catskill Way Parcel Map, Jefferson Commons & 3913 - 73rd Street, Lemon Hill & 6129 48th Ave., 6295 63rd St., Sunmeadow Retirement Community, Brookfield Meadows Unit 2, Liberty Lane, Villa Terassa, 309 Pinedale Ave. & 436 Exchange, 486 Pinedale Ave., 4837 Sully St., Fontaine Estates, 5100 Ada Ln. & 1113 Claire Ave., Mulder Estates, Alt Vista Meadows, 5145 Rio Linda Blvd., 5045 Dry Creek Rd., 700 Pinedale Ave., Glenrose Ave. & Ashley Oaks Haven, Frienza Ct., 2628 Beaumont St., 1081 Glenrose Ave., 2890 Taft St., 2623 Altos Ave., 2300 Thompson Way, 2404 and 2408 51st Ave., 3423 40th St., 4th Ave. Lofts, 2201 6th St., Village at Washington Park, 14th & C, 2020 H St., 3663 24th Street, Riverbend, Treasure Homes, West El Camino Condominiums, 2608 R St., 1416 19th St., Monier-R Street, 2870 34th Ave., 2851 32nd Avenue, 5685 21st St., 5200 20th Ave., 5401 10th Ave., Camellia/Sandburg Parcel Map, Socap Lofts, 2200 5th St.,

4116 36th Street, 3400 12th Ave., Lot 4 Temple Ave., 16th Ave. & Temple Ave., 3908 Sumac Lane, 4414 Franklin Blvd., 5001 Karbet Way, 1100 Derick Way, 3641 Folsom Blvd., Westlake Parcel 31, 4305 Dry Creek Road, 4251 Dry Creek Road and 4233 May Street, Wickford Square, Somerset, 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 Hawthorn 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., 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, Old Town Lofts, 1416 Wentworth, 937 Bell Ave., Creekside Village, 3909 Natoma Way, 3339 25th Ave., 2870 37th Ave., 1419 F St., 1559 Sonoma Ave., 3043 Marshall Way, 321 Haggin Ave., 1231 48th St., Congress Place, 2168 Verano St., Lemon Hill Vista Apartments, 143 Fern Court, 7041 Carnation Ave., 330 Haggin Ave., 3301 63rd St., 2716 Albatross, 4817 Mascot Ave., 1403 8th Ave., 1017 Clair Ave., Zvarich, Young Court North Estates, Santa Anna Estates, Randle Heights, Welsh, Ascension Square, Riverside Terrace II,Kevin Estates, Parkebridge, Evergreen and Elmhurst Terrace.

Proposed Annex Boundaries

A. Hamptons Village 8
B. Natomas Crossing Area 3 Phase 2
C. 5100 Coppersmith Avenue
D. Rose Garden
E. 260 Morey Avenue, Twin Oaks Estates
F. Reiner Way Extension
G. 1737 Kathleen Avenue
H. 440 Carroll Avenue
I. 428 S Street, 1912 6th Street
J. 1415 S Street
K. 15th & L Condominiums
L. Dyer Flats
M. 401 Broadway
N. The Brownstones
O. 3528 Y Street
P. 3110 29th Street
Q. 5901 71st Street
R. 2537 Wah Avenue
S. 2740 57th Street
T. Fowler Estates

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 been 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 Maintenance)
Maximum Annual Special Tax Rates

Updated April 17, 2007 **Tax Category**	**Maximum Annual Special Tax Rate [2]** **Base Year[1]** **2002-2003**	 **Current Year** **2007-2008**
	per Residential Unit	*per Residential Unit*
Developed Parcels [3]		
Single Family Residential Parcels	$48.00	$53.69
Condominium/Townhouse Parcels	$48.00	$53.69
Duplex/Half-plex/Tri-plex Residential Parcels	$48.00	$53.69
Multi-Family Residential Parcels	$28.00	$31.32
Mixed Use Parcels	$28.00	$31.32
Mobile Home Park Parcels	$28.00	$31.32
Other Uses		
Non-Residential Use Parcels [4]	*Tax-Exempt*	*Tax-Exempt*
Undeveloped Parcels [5]	*Tax-Exempt*	*Tax-Exempt*
Public Parcels	*Tax-Exempt*	*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.