Title: Ordinances to Levy Special Taxes within the Greenbriar Community Facilities District No. 2018-03 (Improvements) and the Sacramento Services Community Facilities District No. 2018-05 (Passed for Publication 12/04/2018; Published 12/07/2018)

Location: District 1

Recommendation: 1) Adopt an Ordinance levying a special tax on land within the Greenbriar Community Facilities District No. 2018-03 (Improvements) (Improvement CFD); 2) adopt an Ordinance levying a special tax on land within the Sacramento Services Community Facilities District No. 2018-05 (Sacramento Services CFD); 3) adopt a Resolution establishing new accounting funds for the Greenbriar Improvement CFD and the Sacramento Services CFD; and 4) adopt a Resolution of Intention a) rescinding Resolution 2018-0464, the previously approved Resolution of Intention (Resolution 2018-0464); and b) establishing a unanimous approval process for future annexation of territory into the Sacramento Services CFD.

Contact: Arwen Wacht, Program Specialist, (916) 808-7535; Eric Frederick, Program Specialist, (916) 808-5129; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

Presenter: None

Attachments:
01-Description/Analysis
02-Background
03-Schedule of Proceedings
04-Ordinance – Levy of Special Tax (Improvement CFD)
05-Ordinance – Levy of Special Tax (Sacramento Services CFD)
06-Resolution – Create Accounting Funds
07-Resolution – Intention to Establish Future Annexation Area (Sacramento Services CFD)
08-Exhibit A – Map of District and Future Annexation Area
09-Exhibit B – List of Authorized Services
10-Exhibit C – Rate and Method of Apportionment of Special Tax
11-Exhibit D – Annexation Procedures
Description/Analysis

**Issue Detail:** On November 27, 2018, City Council adopted Resolution No. 2018-0461 calling for a special mailed ballot election on whether to levy a special tax within the boundaries of the Improvement CFD and whether to issue bonds supported exclusively by the special tax to partially reimburse the development for the cost of public infrastructure through the Improvement CFD. The City Council also adopted Resolution No. 2018-0463 calling for a special mailed ballot election on whether to levy a special tax within the boundaries of the Sacramento Services CFD. Both votes were in the affirmative and on December 4, 2018, the City Council passed for publication an ordinance to levy a special tax in the Improvement CFD and an ordinance to levy a special tax in the Sacramento Services CFD (collectively with the Improvement CFD, the CFDs). Staff recommends the City Council adopt the ordinances and pass the resolution establishing new accounting funds for both CFDs.

On November 27, 2018, City Council also adopted Resolution No. 2018-0464, thereby stating its intention to establish territory as a future annexation area to the Sacramento Services CFD and called for a public hearing on January 15, 2019, to consider this action. However, there is not currently a meeting of the City Council scheduled for January 15, 2019, therefore holding a public hearing on that date would not be possible. Staff recommends that the City Council adopt a new Resolution of Intention that would rescind Resolution No. 2018-0464 and call for a public hearing on January 22, 2019. The passage of the attached Resolution of Intention to Provide for Future Annexation of Territory is the first step to allow for future annexations to the Maintenance CFD by the unanimous approval of the owner(s) of property to be annexed. Once this unanimous consent process is established, Council action will not be required for future annexations to the Maintenance CFD from the “future annexation area”.

**Policy Considerations:** The procedures under which these CFDs are being formed are set forth in Title 5, Division 2, Part 1, Chapter 2.5 of the Government Code, Sections 53311-53368.3, entitled “The Mello-Roos Community Facilities Act of 1982” (the Act). Formation of the CFDs is consistent with the City’s Policies and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities, as amended, adopted August 9, 1994 by City Resolution No. 94-491 (Mello-Roos Policy).

In addition, the recommended action to rescind Resolution No. 2018-0464 and adopt a new Resolution of Intention will ensure a public hearing can, as required by the Act, be duly convened on the matter of establishing territory as a future annexation area to the Sacramento Services CFD.

**Economic Impacts:** None.
Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA Guidelines, the formation of community facilities districts does not constitute a project because it is merely a funding mechanism and is therefore exempt from review [CEQA Guidelines Section 15378(b)(4)].

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The recommended actions are required by the Act and by the City Charter to complete the formation process for the CFDs and to allow future annexations from the “future annexation area” to the Sacramento Services CFD using the unanimous approval process permitted under California Government Code Section 53339.7.

Financial Considerations: Specific to the Improvement CFD, the Developer of the Greenbriar project will initially fund the construction of authorized public improvements or pay development impact fees used to construct authorized public improvements. Later, if and when sufficient bond proceeds and special taxes are available, the City will reimburse the Developer consistent with the City’s Mello-Roos Policy or any subsequent update to such policy and with associated agreements. The bond proceeds and special taxes will be used for the sole purposes of: (a) funding construction-costs and development-fee reimbursements to the developer and (b) paying the City’s administrative expenses. This may be done from bond proceeds, directly from special taxes on a pay-as-you-go basis, or from a combination of bond proceeds and special taxes.

Specific to the Sacramento Services CFD, the property owners will pay all costs associated with the CFD, and the approved special tax can be levied each fiscal year to pay for authorized maintenance and services costs of the CFD. Initially, the developer of the Greenbriar project will be the only owner of land in the Sacramento Services CFD, and other projects are expected to annex into the CFD in the future as part of their conditions of development. Property owners will pay all cost associated with annexing to the Sacramento Services CFD, and the maximum special tax rates for annexing properties may vary for each annexation depending on the needs of the territory being annexed.

There is no impact on the General Fund or any other funds of the City as a result of this action.

Local Business Enterprise (LBE): Not applicable.
The proposed CFDs cover approximately 577± acres of property within the Greenbriar Planned Unit Development. The Greenbriar project is proposed for single-family, multi-family, commercial, parks, open space, lakes/detention basins, light rail corridor and station, park and ride lot, and school site. The Greenbriar project area is generally bounded by Elkhorn Boulevard to the north, State Highway 99 to the east, Interstate 5 to the south, and the City of Sacramento’s jurisdictional boundaries to the west and north.

Purpose of the CFDs

The proposed Greenbriar Improvement CFD will finance, through issuance of bonds or the incurrence of other debt for improvement area no. 1 and improvement area no. 2 established therein, certain development fees and public improvements, serving and/or bordering the proposed district boundary, within two improvement areas (north and south of the future Meister Way). The maximum principal amount of debt proposed to be incurred for the purposes of the proposed district is as follows: with respect to
improvement area no. 1, $55 million, and with respect to improvement area no. 2, $50 million.

The proposed Maintenance CFD will establish an appropriate financing district for the maintenance of landscaping, parks, open space, and other public improvements for this development that are beyond those typically provided by the City. The establishment of the Maintenance CFD will authorize the City to levy special taxes in an amount sufficient to provide maintenance funding.
ATTACHMENT 3
SCHEDULE OF FORMATION PROCEEDINGS
GREENBRIAR CFD NO. 2018-03 (IMPROVEMENTS) AND
SACRAMENTO SERVICES CFD NO. 2018-05

October 23, 2018  City Council – Initiate Proceedings
  o  Pass Resolutions of Intention to Form CFDs and Levy
     Special Tax (sets hearing date and approves boundary map)
  o  Pass Resolution of Intention to Incur Bonded Indebtedness

October 31, 2018  Record Boundary Maps

November 8, 2018  Mail Notice of Public Hearing

November 16, 2018  Publish Notice of Public Hearing

November 27, 2018  City Council – Public Hearing and Notice for Special Elections
  o  Conduct Public Hearing
  o  Pass Resolutions of Formation
  o  Pass Resolution to Incur Debt for Improvements CFD
  o  Pass Resolutions Calling Special Elections
  o  Pass Resolution of Intention to Establish a Unanimous
     Approval Process for Future Annexation of Territory into the
     Sacramento Services CFD

November 27, 2018  Landowners Deliver & Return Special Election Ballots

November 28, 2018  Special Elections Held

December 4, 2018  City Council
  o  Pass Resolutions Declaring Results of Special Elections
  o  Pass for Publication Ordinances to Levy Taxes

December 5, 2018  Record Notices of Special Tax

December 11, 2018  City Council
  o  Adopt Ordinances to Levy Special Taxes
  o  Pass Resolution Creating Accounting Funds
ORDINANCE NO. 2018-____

Adopted by the Sacramento City Council

________, 2018

LEVYING A SPECIAL TAX FOR FISCAL YEAR 2018-19 AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO THE CITY OF SACRAMENTO GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. On November 27, 2018, the City Council adopted Resolution No. 2018-0459 (the “Resolution of Formation”), thereby establishing the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) (the “CFD”), and designating within the CFD two improvement areas, known as “Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” (“IA-1”) and “Improvement Area No. 2 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” (“IA-2”).

2. In accordance with sections 53328 and 53340 of the Government Code (the “Code”), the Resolution of Formation, the Rate and Method of Apportionment of Special Tax for IA-1 attached as Exhibit D to the Resolution of Formation (the “IA-1 RMA”), and the Rate and Method of Apportionment of Special Tax for IA-2 attached as Exhibit E to the Resolution of Formation (the “IA-2 RMA”), a special tax is hereby levied on all taxable parcels within IA-1 (the “IA-1 Special Tax”) for the 2018-19 fiscal year and for all subsequent fiscal years at the rate and in accordance with the formula described in the IA-1 RMA, and a special tax is hereby levied on all taxable parcels within IA-2 (the “IA-2 Special Tax”) for the 2018-19 fiscal year and for all subsequent fiscal years at the rate and in accordance with the formula described in the IA-2 RMA, in each case, until collection of the applicable special tax by the City Council ceases and a notice of cessation of special tax is recorded in accordance with section 53330.5 of the Code. The amount of the IA-1 Special Tax and the IA-2 Special Tax may be adjusted annually, subject to the maximum authorized amounts set forth in the Resolution of Formation and the IA-1 RMA or IA-2 RMA, as applicable.

3. The City Treasurer or designee, in the instance of the use of debt financing, or the Finance Director or designee when no debt has been issued (as applicable, the “Manager”), with the aid of the appropriate officers and agents of the City and without further action by the City Council is authorized and directed to do the following: (a) to calculate the appropriate amount of the IA-1 Special Tax and IA-2 Special Tax each year; (b) to prepare the annual special-tax roll in accordance with the Resolution of Formation, the IA-1 RMA and the IA-2 RMA; and (c) to provide to the Sacramento County Auditor-Controller all information in proper
form, and in proper time, to effect the correct and timely billing and collection of
the special taxes on the secured property-tax roll of Sacramento County (the
“County”). As provided in section 53340 of the Code, the Resolution of
Formation, the IA-1 RMA and the IA-2 RMA, the special taxes shall be collected
in the same manner and at the same time and be subject to the same
enforcement mechanism, and the same penalties and interest for late payment,
as regular ad valorem taxes; provided, that the City Council has reserved the
right to utilize any other lawful means of billing, collecting, and enforcing the
special taxes, including direct billing, supplemental billing, and, when lawfully
available, judicial foreclosure of the special tax lien for IA-1 and IA-2.

4. The appropriate officers and agents of the City are authorized to make
adjustments to the special-tax roll before the final posting of the special taxes to
the County tax roll each year, to achieve a correct match of the special tax levy
with the assessor’s parcel numbers used by the County in sending out property-
tax bills. The County may deduct its reasonable and agreed charges for
collecting the special taxes from the amounts collected, before remitting the
special-tax collections to the City.

5. Except as set forth in the IA-1 RMA or the IA-2 RMA, properties or entities of the
State, federal or local governments shall be exempt from any levy of the special
taxes. In no event shall the special taxes be levied on any parcel within IA-1 or
IA-2 in excess of the maximum tax specified in the Resolution of Formation.

6. Any taxpayer may appeal the levy of the special tax by filing a written notice of
appeal in accordance with section K of the IA-1 RMA or the IA-2 RMA, as
applicable, which is supplemented as follows:

a. A taxpayer may file a notice of appeal with the Manager not more than two
years after the end of the tax year for which the taxpayer is contesting the
levy, and the taxpayer’s failure to do so within that time constitutes a bar
to appeal. The notice of appeal must specify in detail the grounds of the
appeal, which are limited to (1) clerical errors in assigning an amount of
tax to a parcel and (2) errors defining the use of a parcel or its
classification. No other appeals are allowed.

b. Not more than 30 days after an appeal is filed, the Manager shall review
the appeal, meet with the taxpayer (if necessary), and mail the taxpayer a
written decision on the appeal. If the Manager finds that the special tax
should be modified, then the Manager shall correct the special-tax levy or
grant the taxpayer a credit against the next year’s special-tax levy, as
appropriate under the circumstances. The Manager’s failure to timely mail
a written decision will constitute a decision denying the appeal.

c. If the taxpayer disagrees with the Manager’s decision, and if the taxpayer
is current on payments of the special tax, then the taxpayer may appeal to
the City Council by filing a written notice of appeal with the City Clerk not more than 30 days after the Manager mails the notice of decision, or has failed to timely mail a written decision, and the taxpayer’s failure to do so constitutes a bar to further appeal. The notice of appeal must specify in detail the grounds of appeal. The City Council shall, in accordance with chapter 1.24 of the City Code, either hear the appeal itself or refer the appeal to a hearing officer. The hearing on the appeal from the Manager’s decision shall be conducted not more than 30 days after the taxpayer files the appeal with the City Council, and the City Council or the hearing officer, as appropriate, shall mail a written decision to the taxpayer not more than 30 days after the hearing concludes. The decision of the City Council or the hearing officer will be final for all purposes. The failure of the City Council or the hearing officer to hear the appeal or to render a decision within the specified time will constitute a denial of the appeal.

7. The filing of an appeal under section 6 of this ordinance will not relieve the taxpayer of the obligation to pay any special tax when due.

8. If for any reason a court with jurisdiction finds any portion of this ordinance to be invalid or finds the IA-1 Special Tax or IA-2 Special Tax to be inapplicable to any particular parcel, then the balance of this ordinance and the application of the special taxes to the remaining parcels within IA-1 or IA-2, as applicable, will not be affected.

9. In accordance with section 32(c) of the City Charter, after the City Council has passed this ordinance for publication the City Clerk shall have the title of this ordinance, and only the title, published at least once in a newspaper of general circulation that is published in the City and designated by the City Council as the official newspaper of the City, with the publication to occur at least three days before the City Council adopts this ordinance.
ORDINANCE NO.

Adopted by the Sacramento City Council

______, 2018

Levying a Special Tax for Fiscal Year 2018-19 and Following Fiscal Years Solely within and relating to the Sacramento Services Community Facilities District No. 2018-05
City of Sacramento, County of Sacramento, State of California

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. On November 27, 2018, the City Council adopted Resolution No. 2018-0462 (the "Resolution of Formation"), thereby establishing the Sacramento Services Community Facilities District No. 2018-05, City of Sacramento, County of Sacramento, State of California (the "CFD").

2. In accordance with sections 53328 and 53340 of the California Government Code (the "Code"), the Resolution of Formation, and the Rate and Method of Apportionment of Special Tax attached as Exhibit C to the Resolution of Formation (the "RMA"), a special tax is hereby levied on all taxable parcels within the CFD for the 2018-19 fiscal year at the rate and in accordance with the formula described in the RMA until collection of the applicable special tax by the City Council ceases and a notice of cessation of special tax is recorded in accordance with section 53330.5 of the Code. The amount of the special tax may be adjusted annually, subject to the maximum authorized amount set forth in the Resolution of Formation and the RMA.

3. The Manager of the Public Improvement Finance Division of the Finance Department or his or her designee (the "Manager"), with the aid of the appropriate officers and agents of the City and without further action by the City Council is authorized and directed (a) to calculate the appropriate amount of the special tax each year; (b) to prepare the annual special-tax roll in accordance with the Resolution of Formation and the RMA; and (c) to provide to the Sacramento County Auditor-Controller all information in proper form, and in proper time, to effect the correct and timely billing and collection of the special taxes on the secured property-tax roll of Sacramento County (the "County"). As provided in section 53340 of the Code, the Resolution of Formation, and the RMA, the special taxes shall be collected in the same manner and at the same time and be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem taxes; provided,
that the City Council has reserved the right to utilize any other lawful means of billing, collecting, and enforcing the special taxes, including direct billing and supplemental billing.

4. The appropriate officers and agents of the City are authorized to make adjustments to the special-tax roll before the final posting of the special taxes to the County tax roll each year, to achieve a correct match of the special tax levy with the assessor’s parcel numbers used by the County in sending out property-tax bills. The County may deduct its reasonable and agreed charges for collecting the special taxes from the amounts collected, before remitting the special-tax collections to the City.

5. Except as set forth in the RMA, properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within the CFD in excess of the maximum tax specified in the Resolution of Formation.

6. Any taxpayer may appeal the levy of the special tax by filing a written notice of appeal in accordance with section J of the RMA, which is supplemented as follows:

a. A taxpayer may file a notice of appeal with the Manager not more than two years after the end of the tax year for which the taxpayer is contesting the levy, and the taxpayer’s failure to do so within that time constitutes a bar to appeal. The notice of appeal must specify in detail the grounds of the appeal, which are limited to (1) clerical errors in assigning an amount of tax to a parcel and (2) errors defining the use of a parcel or its classification. No other appeals are allowed.

b. Not more than 30 days after an appeal is filed, the Manager shall review the appeal, meet with the taxpayer (if necessary), and mail the taxpayer a written decision on the appeal. If the Manager finds that the special tax should be modified, then the Manager shall correct the special-tax levy or grant the taxpayer a credit against the next year’s special-tax levy, as appropriate under the circumstances. The Manager’s failure to timely mail a written decision will constitute a decision denying the appeal.

c. If the taxpayer disagrees with the Manager’s decision, and if the taxpayer is current on payments of the special tax, then the taxpayer may appeal to the City Council by filing a written notice of appeal with the City Clerk not more than 30 days after the Manager mails the notice of decision, or has failed to
timely mail a written decision, and the taxpayer’s failure to do so constitutes a bar to further appeal. The notice of appeal must specify in detail the grounds of appeal. The City Council shall, in accordance with chapter 1.24 of the City Code, either hear the appeal itself or refer the appeal to a hearing officer. The hearing on the appeal from the Manager’s decision shall be conducted not more than 30 days after the taxpayer files the appeal with the City Council, and the City Council or the hearing officer, as appropriate, shall mail a written decision to the taxpayer not more than 30 days after the hearing concludes. The decision of the City Council or the hearing officer will be final for all purposes. The failure of the City Council or the hearing officer to hear the appeal or to render a decision within the specified time will constitute a denial of the appeal.

7. The filing of an appeal under section 6 of this ordinance will not relieve the taxpayer of the obligation to pay the special tax when due.

8. If for any reason a court with jurisdiction finds any portion of this ordinance to be invalid or finds the special tax to be inapplicable to any particular parcel, then the balance of this ordinance and the application of the special taxes to the remaining parcels will not be affected.

9. In accordance with section 32(c) of the City Charter, after the City Council has passed this ordinance for publication the City Clerk shall have the title of this ordinance, and only the title, published at least once in a newspaper of general circulation that is published in the City and designated by the City Council as the official newspaper of the City, with the publication to occur at least three days before the City Council adopts this ordinance.
RESOLUTION NO.

Adopted by the Sacramento City Council

________, 2018

ESTABLISHING ACCOUNTING FUNDS FOR THE GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS) AND THE SACRAMENTO SERVICES COMMUNITY FACILITIES DISTRICT NO. 2018-05

BACKGROUND

A. Formation of the Greenbriar Community Facilities District 2018-03 (Improvements) (Improvement CFD) was approved by City Council on November 27, 2018. Two separate improvement areas were designated within the Improvement CFD, known as “Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” and “Improvement Area No. 2 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)”. Fiscal Year (FY) 2018-19 is the first year that landowners within each improvement area of the Improvement CFD will be subject to the special taxes. New accounting funds need to be created for each improvement area of the Improvement CFD in accordance with Article IX, section 114, of the City Charter.

B. Each improvement area of the Improvement CFD will levy special taxes in an amount sufficient to provide partial reimbursement to the developer for public improvements and fee-related public improvements, and for administrative expenses.

C. Formation of the Sacramento Services Community Facilities District No. 2018-05 (Maintenance CFD) was approved by City Council on November 27, 2018. FY 2018-19 is the first year that landowners within the Maintenance CFD will be subject to the special tax. A new accounting fund needs to be created for the Maintenance CFD in accordance with Article IX, section 114, of the City Charter.

D. The Maintenance CFD will levy special taxes in an amount sufficient to provide funding for maintenance of landscaping, parks, open space, and other public improvements that are beyond those typically provided by the City.

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

Section 1. The City Council finds that the statements in the Background are true and correct.

Section 2. The City Manager, or his designee, is authorized and directed to create a new
Section 3. The City Manager, or his designee, is authorized and direct to create a new accounting fund to be designated as the Greenbriar CFD 2018-03 – (Improvements) - Improvement Area No. 2.

Section 4. The City Manager, or his designee, is authorized and directed to create a new accounting fund to be designated as the Sacramento Services CFD 2018-05.
RESOLUTION NO.
Adopted by the Sacramento City Council

Resolution of Intention to Establish Territory as a Future Annexation Area to the Sacramento Services Community Facilities District No. 2018-05 and to Levy a Special Tax within Territory Annexed in the Future to Fund Services, and Rescinding a Previous Resolution of Intention

BACKGROUND

A. The City Council (the “Council”) of the City of Sacramento (the “City”) has previously established the Sacramento Services Community Facilities District No. 2018-05, City of Sacramento, County of Sacramento, State of California (the “CFD”) under the Mello-Roos Community Facilities Act of 1982 (Government Code Sections 53311 to 53368.3) (the “Act”) for the purposes of levying a special tax on property in the CFD to pay for services to be provided within the CFD, 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 CFD 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 CFD was formed solely to fund maintenance services within the CFD.

C. Public convenience and necessity require that territory be added to the CFD in the future. The CFD and the territory proposed for possible annexation in the future is specifically described and shown in Exhibit A, attached hereto and incorporated herein.

D. The Act provides that certain filings shall be made pursuant to Division 4.5 (commencing with Section 3100) of the Streets and Highways Code of the State of California for future annexation of territory to the CFD.

E. The services authorized to be provided in the existing CFD are set forth in Exhibit B, attached hereto and incorporated herein. No new or additional services beyond those described in Exhibit B will be provided in the territory proposed to be annexed to the CFD, however services need not be shared in common between the CFD and the territory proposed to be annexed in the future.

F. The cost of providing services will be unique to the needs of the territory being annexed to the CFD. The special tax will be apportioned according to the methodology specified in the Resolution of Intention of the CFD (Resolution No.
2018-0412) and the Rate and Method of Apportionment of Special Tax (the “RMA”). The special tax will be levied at a rate required to meet the actual cost of providing the services to that territory pursuant to Government Code Section 53340.

G. On Tuesday, November 27, 2018, Council duly adopted a previous Resolution of Intention to Establish Territory as a Future Annexation Area (Resolution No. 2018-0464), thereby stating its intention to establish territory as a Future Annexation Area to the CFD and calling for a Public Hearing on January 15, 2019, to consider the future annexation of territory from the future annexation area proposed to be established for the CFD pursuant to the Act, the levying of special taxes within the territory proposed to be annexed in the future, and all other matters set forth therein.

H. There is no Council meeting currently scheduled for January 15, 2019, therefore holding a Public Hearing on that date is not possible.

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

Section 1. The Council finds and determines that the background statements A through H are true and correct.

Section 2. The Council hereby rescinds the previously adopted Resolution No. 2018-0464.

Section 3. It is the intention of this Council and the Council hereby proposes to provide for the possible future annexation to the CFD of parcels within the territory identified as “future annexation area” on the boundary map attached hereto as Exhibit A, on condition that parcels within the territory be annexed to the CFD only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings. The boundaries of the future annexation area, as shown on Exhibit A, are hereby preliminarily approved and reference is hereby made to such boundary map for further particulars. The City Clerk is hereby directed to cause to be recorded such boundary map, showing the territory to be established as a future annexation area, in the office of the County Recorder of the Sacramento County within 15 days of the date of adoption of this resolution. The boundaries of the future annexed parcel or parcels to be included in the CFD, following an annexation from the future annexation area, will be more particularly described on maps
entitled substantially similar to “SACRAMENTO SERVICES COMMUNITY
FACILITIES DISTRICT NO. 2018-05 Annexation No. ____” (each
map/annexation will be numbered consecutively). Such maps are hereby
authorized to be filed with the City Clerk (Clerk) at the time of future
annexation and the Clerk is hereby authorized and directed to record a
copy of such maps with the County Recorder of Sacramento County in
accordance with the provisions of Section 3111 of the Streets and
Highways Code of the State of California.

Section 4. The services to be provided in the territory proposed to be annexed in the
future are those services described in Exhibit B, and the services may, but
need not be, shared in common between the CFD and the territory
proposed to be annexed in the future. Prior to each annexation, a
determination shall be made regarding which services, if any, will be
shared in common between the CFD and the territory proposed to be
annexed. If it is determined that certain services are to be shared in
common, the territory proposed to be annexed will only pay its share of
the actual costs of those services and will not pay for services not
provided to the territory.

Section 5. It is the intention of this Council, and the Council hereby proposes, to levy
a special tax annually within territory proposed to be annexed in the future
when the territory is annexed. The tax will be sufficient to pay that
territory’s share of the cost of services to be provided as described in this
Resolution of Intention, together with the territory’s share of all costs
incurred to carry out the authorized purposes of the CFD, as well as all
costs incidental to the administration of the CFD. The special tax proposed
to pay for services to be supplied within the territory to be annexed in the
future shall be equal to the special tax levied to pay for the same services
in the existing CFD, except that a higher or lower tax may be levied within
the territory to be annexed in the future to the extent that the actual cost of
providing the services in that territory is higher or lower than the cost of
providing those services in the existing CFD. In accordance with Chapter
3.124, city-owned property may be subject to the lien for the special tax if
and as specified as taxable public property in the applicable unanimous
approval(s). The special tax levied on parcels annexed to the CFD in the
future shall be collected as a separately stated item on the county property
tax bill and collected in the same manner as ordinary ad valorem property
taxes; provided, that the provisions of Chapter 3.124 shall control and
provided further that the Council reserves the right to change the method
of collection at any time. The special tax shall be apportioned according to
the RMA, included as Exhibit C. The rates shown in the RMA are the
maximum rates for the original CFD. Rates for annexation properties will be set according to Government Code Section 53340 once approved unanimously by the owners of each parcel to be annexed into the CFD from the future annexation area. The special tax levied on all parcels may be escalated for inflation under Chapter 3.124, as specified in the RMA. If tax collections at the stated rates exceed the amount required to pay the annual costs of providing the authorized services in the CFD, the rates may be reduced in accordance with the formula set forth in the RMA. The special tax levied and collected hereunder shall be in perpetuity, unless and until the need for the services no longer exists.

Section 6. Procedures for the annexation process and for setting rates for territory to be annexed from the future annexation area are attached hereto as Exhibit D and incorporated herein by this reference.

Section 7. The City Clerk is further authorized and directed to file the Notice of Special Tax Lien within 15 days of the date of the property owner unanimous approval as provided for in Section 3114.5 of the Streets and Highways Code of the State of California.

Section 8. There shall be no alteration in the special tax rate levied in the existing CFD, and the maximum tax rate in the existing CFD may not be increased as a result of the future annexation of territory pursuant to this resolution.

Section 9. Notice is hereby given that the Council fixes Tuesday, January 22, 2019, at 5:00 p.m., in the Council Chambers at City Hall, 915 I Street, First Floor, Sacramento, California, as the time and place for a Public Hearing to consider the future annexation of territory from the future annexation area proposed to be established for the CFD pursuant to the Act, the levying of special taxes within the territory proposed to be annexed in the future, and all other matters set forth herein. At the Public Hearing, all interested persons for or against the future annexation of territory to the CFD from the future annexation area or the levying of special taxes within the territory to be annexed in the future will be heard. Any protests may be made orally or in writing, except that any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the hearing and any written protest may be withdrawn in writing at any time before the conclusion of the hearing.

Section 10. The notice of the time and place of the public hearing shall be given by the City Clerk in the following manner: A Notice of Public Hearing in the form
required by the Act shall be published in the Sacramento Bulletin, a newspaper of general circulation in the area of the proposed future annexation. The publication shall be made pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven days prior to the date set for the Public Hearing.

Section 11. Exhibits A through D are part of the resolution.

**Table of Contents:**

Exhibit A – Map of CFD and Future Annexation Area
Exhibit B – List of Authorized Services
Exhibit C – Rate and Method of Apportionment of Special Tax
Exhibit D – Annexation Procedures
BOUNDARY MAP  
SACRAMENTO SERVICES  
COMMUNITY FACILITIES DISTRICT NO. 2018-05  
FUTURE ANNEXATION AREA,  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,  
STATE OF CALIFORNIA  
SHEET 1 OF 1  

CLERK'S MAP FILING STATEMENT:


_______________________________
CITY CLERK,  
CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE:

I HEREBY CERTIFY THAT THE MAP SHOWING BOUNDARY MAP, SACRAMENTO SERVICES COMMUNITY FACILITIES DISTRICT NO. 2018-05 FUTURE ANNEXATION AREA, 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 ____________, 2018, BY ITS RESOLUTION NO. ________.

_______________________________
CITY CLERK,  
CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT:

FILED THIS _______ DAY OF ____________, 2018 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. ____________

---

Boundary Line, Future Annexation Area
ASSESSOR PARCELS WITHIN BOUNDARY:
FOR PARTICULARS OF LINES AND DIMENSIONS OF PARCELS, REFER TO SACRAMENTO COUNTY ASSESSOR PARCEL MAP BOOKS SHOWING ALL PARCELS WITHIN THE CITY OF SACRAMENTO.
EXHIBIT B

CITY OF SACRAMENTO
SACRAMENTO SERVICES
COMMUNITY FACILITIES DISTRICT NO. 2018-05

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 the Sacramento Services CFD No. 2018-05 is to fund any of the services authorized under the Mello-Roos Community Facilities Act of 1982 and authorized under the charter of the City of Sacramento. Such services may include, but are not limited to, the maintenance of roadway facilities, transit facilities, parks, bikeway and pedestrian paths, storm water drainage facilities and/or landscape areas. Funds may be used within the territory of the Sacramento Services CFD No. 2018-05.

The authorized services for the Sacramento Services CFD No. 2018-05 consist of the following:

1. The repair and maintenance of roadway facilities, transit facilities, bikeway and pedestrian paths, parks, and landscaped areas, including but not limited to hardscape, special paving features, ramps, sidewalks, walkways, irrigation facilities, water & hose bibbs, plantings, weed removal, lighting, sound walls, ornamental and chain link fences, monuments, signage, bollards, fans, coil gates, security cameras and system monitoring, water-quality facilities, storm-water drainage facilities, water fountains and other water features, and other appurtenances within and along public rights-of-way.

2. Scheduled inspection of maintenance of roadway facilities, water-quality facilities, storm-water drainage facilities, transit facilities, bikeway and pedestrian paths, parks, and landscaped areas

3. Paying utility bills associated with maintenance of roadway facilities, transit facilities, water-quality facilities, storm-water drainage facilities, parks, bikeway and pedestrian paths, and landscaped areas.

4. Costs of levying and collecting the Special Tax and annually administering the Sacramento Services CFD No. 2018-05.

5. Miscellaneous costs related to any of the items described above, including costs of planning, engineering, legal services, and administration.

6. Any other services authorized under the Mello-Roos Community Facilities Act of 1982 and authorized under the charter of the City of Sacramento.
A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 and applicable to each Assessor’s Parcel in the Sacramento Services Community Facilities District No. 2018-05 of the City of Sacramento will be levied and collected according to the tax liability the City determines through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by Section G below, will be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate rate and method of apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

“Acre” means 43,560 square feet of land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map or, if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other map recorded at the County Recorder’s Office.


“Administrative Expenses” means the actual or reasonably estimated costs related to administration of the CFD, including but not limited to the following:

- Costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or its designee or both).
- Costs of collecting, auditing, dispersing, and accounting for the Special Tax (whether by the County, the City, or otherwise).
- Costs incurred in responding to public inquiries regarding the Special Tax.
- Costs to the City or its designee related to any appeal of the Special Tax.
- Amounts estimated to be advanced for any other administrative purposes, including but not limited to attorney’s fees and other costs related to collection of the Special Tax.
- Costs associated with annexations into the CFD.
- All other costs and expenses of the City and County in any way related to the administration of the CFD.
“Administrator” means the City’s Special Districts Manager, his/her designee, or such other person or department as the City may designate to serve as Administrator of the CFD.

“Affordable Unit” means a Residential Unit that is subject to deed restrictions, resale restrictions, or regulatory agreements recorded on the property that provide housing for persons that meet Low-, Very Low-, or Extremely Low-Income levels pursuant to the California Health and Safety Code Sections 50079.5, 50105, or 50106. The Residential Unit shall no longer be considered an Affordable Unit following termination of the agreement containing covenants or similar instruments.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel Number that constitutes vertical space of the underlying land.

“Assessor’s Parcel” means a lot or parcel (including an Airspace Parcel) that is shown on an Assessor’s Parcel Map and has an assigned Assessor’s Parcel Number.

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

“Assessor’s Parcel Number” means the number assigned to an Assessor’s Parcel by the County Assessor for purposes of identification.

“Authorized Services” means the public services authorized to be funded through the CFD.

“Building Permit” means a single permit or set of permits required to construct a residential or non-residential structure. If a permit is issued for a foundation, parking, landscaping, or other similar facility or amenity but a building permit has not yet been issued for the structure to be served by the facility or amenity, then the permit for the facility or amenity will not be considered a “Building Permit” for purposes of levying the Special Tax.

“CFD” means the Sacramento Services Community Facilities District No. 2018-05 of the City of Sacramento.

“CFD Formation” means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

“City” means the City of Sacramento, California.

“City Council” means the Sacramento City Council.

“Condominium Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property for which a Building Permit was issued for construction of a residential structure that meets the statutory definition of a condominium contained in Civil Code Section 1351, as determined by the City.

“County” means the County of Sacramento, California.
“Developed Property” means, in any Fiscal Year, all Taxable Property for which a Building Permit was issued before June 1 of the preceding Fiscal Year.

“Development Class” means, individually, Developed Property, Final Map Property, and Undeveloped Property.

“Escalation Factor” means, in any Fiscal Year, the lesser of: (i) the percentage increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose region (base years 1982-1984=100) (prior calendar year annual average) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index no longer is published, a similar escalator that is determined by the City to be appropriate, and (ii) 4%.

“Exempt Property” means any of the following:

- Public Property.
- Owners Association Property.
- Assessor’s Parcels that are owned by a public utility and developed with an unoccupied facility.
- Assessor’s Parcels that are subject to a conservation, open space, recreation, or similar easement that precludes any use other than the use set forth in the easement, as determined by the City.
- Affordable Units.

“Final Map” means a final map or portion of a final map, approved by the City under the Subdivision Map Act (California Government Code § 66410 et seq.), that creates lots that do not need to be further subdivided prior to issuance of a Building Permit for a residential structure, as determined by the City. “Final Map” does not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map, or any portion of such a map, that does not create lots that are in their final configuration.

“Final Map Property” means, in any Fiscal Year, all Assessor’s Parcels of Taxable Property for which a Final Map has recorded and which have not yet become Developed Property.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.


“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.
“Multi-Family Residential Property” means all parcels of Developed Property for which Building Permits were issued for construction of a residential structure with three or more residential units that are offered for rent to the general public and cannot be purchased by individual homebuyers.

“Non-Residential Property” means all parcels of Developed Property for which Building Permits were issued for construction of an office, commercial, retail, industrial or mixed-use building, as determined by the City.

“Non-Residential Square Foot” means an individual square foot unit of the Non-Residential Square Footage of a structure.

“Non-Residential Square Footage” means the following:

- For buildings that do not include Residential Units, the gross square footage of the building as reflected on the Building Permit or, if the gross square footage is not specified on the Building Permit, as otherwise determined by the City.

- For buildings that include both Residential Units and non-residential land uses, the net saleable or net leasable square footage that is used or expected to be used for commercial, industrial, office, or other non-residential land uses, as determined by the Administrator.

“Other Residential Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property that are in a residential use but do not meet the definition of Single Family Detached Property, Single Family Attached Property, Condominium Property, or Multi-Family Residential Property, as determined by the Administrator.

“Owners Association” means any homeowners or property owners association (including any master or sub-association) that provides services to, and collects dues, fees, or charges from, owners of property within the CFD.

“Owners Association Property” means any property owned in fee or as an easement by an Owners Association, not including any such property that is located directly under a residential structure.

“Proportionately” means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class.

“Public Property” means any property within the CFD that is owned by the City, the County, the State of California, the federal government, or other public agency, except that any property leased by a public agency to a private entity and subject to taxation under § 53340.1 of the Act will be taxed and classified in accordance with its use. Privately owned property will be considered Public Property if its development is otherwise constrained by public use and necessity through an easement, a lease, or a license.
“Residential Unit” means an individual single-family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure. A secondary / accessory dwelling unit (granny flat) that shares an Assessor’s Parcel with a single-family-detached unit is not a Residential Unit for purposes of levying the Special Tax.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a Building Permit has been or is permitted to be issued for construction of a Residential Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to a Tentative Map.

“Single Family Detached Property” means, in any Fiscal Year, all Assessor’s Parcels for which a Building Permit was issued for construction of a Residential Unit that does not share a common wall with another Residential Unit.

“Single Family Attached Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property for which a Building Permit was issued for construction of a residential structure consisting of two or more Residential Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor’s Parcel with another duplex unit), and are offered as for-sale units (which shall still be the case even if the Residential Units are purchased and subsequently offered for rent by the owner), not including residential structures that are Condominium Property.

“Special Tax” means a Special Tax levied in any Fiscal Year to pay the Tax Zone Special Tax Requirement.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. All of the property within the CFD at CFD Formation is within Tax Zone 1. Property may be annexed into Tax Zone 1, and additional Tax Zones may be created when property is annexed into the CFD. Separate Maximum Special Taxes may be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such parcels are annexed to the CFD shall be identified by Assessor’s Parcel Number in the Unanimous Approval Form that is signed by the owner(s) of the parcels at the time of annexation.

“Tax Zone 1” means the property included in the CFD at CFD Formation and any property that is part of the same development project that is subsequently annexed into Tax Zone 1.

“Tax Zone Budget” means, in any Fiscal Year, the City’s estimate of costs for Authorized Services within a particular Tax Zone for that Fiscal Year, net of any surplus amounts available (as determined by the City) from the levy of the Special Tax in the Tax Zone in prior Fiscal Years, including revenues from collection of delinquent Special Taxes and associated penalties and interest.
“**Tax Zone Special Tax Requirement**” means the amount of revenue needed from a particular Tax Zone in any Fiscal Year to pay: (i) the Tax Zone Budget for that Tax Zone, (ii) Administrative Expenses associated with the Tax Zone, which may include a proportional share of Administrative Expenses incurred by the City associated with general administration of the CFD, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred in the Tax Zone in the prior Fiscal Year.

“**Taxable Property**” means all property within the CFD that is not exempt from the Special Tax pursuant to law or Section G below.

“**Tentative Map**” means a map that is: (i) made for the purpose of showing the design of a proposed subdivision, including the individual SFD Lots that are expected within the subdivision, as well as the conditions pertaining thereto, (ii) not based on a detailed survey of the property within the map, and (iii) not recorded at the County Recorder’s Office to create legal lots.

“**Unanimous Approval Form**” means that form executed by the record owner of fee title to one or more Assessor’s Parcels annexed into the CFD that constitutes a property owner’s approval and unanimous vote in favor of annexing into the CFD and the levy of the Special Tax against his/her Assessor’s Parcel(s) pursuant to this RMA.

“**Undeveloped Property**” means, for each Fiscal Year, all Taxable Property not classified as Final Map Property or Developed Property.

**B. DATA FOR ADMINISTRATION OF SPECIAL TAX**

On or about July 1 of each Fiscal Year, the Administrator shall identify the Tax Zone Special Tax Requirement for each Tax Zone for the Fiscal Year. The Administrator shall also determine the following for each Assessor’s Parcel: (1) the current Assessor’s Parcel Number; (2) the Tax Zone within which each Assessor’s Parcel is located, (3) whether it is Developed Property, Final Map Property, or Undeveloped Property; (4) for Single Family Attached Property, Condominium Property, and Multi-Family Residential Property, the number of Residential Units on the Assessor’s Parcel, and (5) for Non-Residential Property, the Non-Residential Square Footage of each building on the Assessor’s Parcel.

In any Fiscal Year, if the Administrator determines—

- that a Final Map or other map for an Assessor’s Parcel within the CFD was recorded after April 30 of the prior Fiscal Year (or on any other date after which the County Assessor will not incorporate the newly created parcels into the then-current tax roll);

- that because of the date the map was recorded, the County Assessor does not yet recognize the new parcels created by the map; and
that one or more of the newly created parcels is in a different Development Class from other parcels created by the map,
	hen the Administrator shall calculate the Special Tax for the property affected by recordation of the map by determining the Special Tax that applies separately to the property within each Development Class and then applying the sum of the individual Special Taxes to the Assessor’s Parcel that was subdivided by recordation of the map.

C. MAXIMUM SPECIAL TAX

1. Developed Property

Table 1 below identifies the Maximum Special Tax for Developed Property within Tax Zone 1. For property that annexes into the CFD, different maximum rates for Developed Property may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Tax for Developed Property applicable to that Tax Zone.

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Maximum Special Tax (Fiscal Year 2018-19)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Detached Property</td>
<td>$587 per Residential Unit</td>
</tr>
<tr>
<td>Single Family Attached Property</td>
<td>$587 per Residential Unit</td>
</tr>
<tr>
<td>Condominium Property</td>
<td>$587 per Residential Unit</td>
</tr>
<tr>
<td>Multi-Family Residential Property</td>
<td>$329 per Residential Unit</td>
</tr>
<tr>
<td>Non-Residential Property</td>
<td>$0.41 per Non-Residential Square Foot</td>
</tr>
<tr>
<td>Other Residential Property</td>
<td>$6,184 per Acre</td>
</tr>
</tbody>
</table>

* On July 1, 2019, and on each July 1 thereafter, the Maximum Special Taxes shown above will be increased by the Escalation Factor.

If, in any Fiscal Year, the Administrator determines that an Assessor’s Parcel of Developed Property is built or proposed to be built with both Residential Units and non-residential land uses, the Maximum Special Tax for the Assessor’s Parcel shall be determined as follows:

Step 1. Calculate the aggregate Maximum Special Tax that can be levied on all Residential Units in the building.

Step 2. Calculate the aggregate Maximum Special Tax that can be levied on all Non-Residential Square Footage in the building.
Step 3. The Maximum Special Tax for the Assessor’s Parcel shall be the sum of the amount calculated in Step 1 for residential property and the amount determined in Step 2 for Non-Residential Property.

2. Final Map Property

The Fiscal Year 2018-19 Maximum Special Tax for Final Map Property in Tax Zone 1 is $6,184 per Acre, which amount shall increase on July 1, 2019 and each July 1 thereafter by the Escalation Factor. For property that annexes into the CFD, different maximum rates may be established for Final Map Property by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Tax for Final Map Property applicable to that Tax Zone.

3. Undeveloped Property in Tax Zone 1

For Assessor’s Parcels of Undeveloped Property in Tax Zone 1, the Maximum Special Tax is $6,184 per Acre for Fiscal Year 2018-19, which amount shall increase on July 1, 2019 and each July 1 thereafter by the Escalation Factor. For property that annexes into the CFD, a different maximum special tax may be established for Undeveloped Property by creating a separate Tax Zone for such annexed property. Alternatively, property annexed into Tax Zones that were established prior to the annexation shall be subject to the Maximum Special Tax for Undeveloped Property that is applicable to that Tax Zone.

D. Changes to Maximum Special Tax

1. Annual Escalation

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Taxes set forth in Section C above, and the Maximum Special Tax assigned to each Assessor’s Parcel shall be increased by the Escalation Factor.

2. Land Use Changes

If an Assessor’s Parcel in the CFD is rezoned or otherwise changes land use prior to becoming Developed Property, the City may, in its sole discretion, move the Assessor’s Parcel to a different Tax Zone based on the maintenance and services needed to serve the Assessor’s Parcel after the change in land use. If an Assessor’s Parcel rezones after being taxed as Developed Property in prior Fiscal Years, the City can either continue to apply the Maximum Special Tax that applied prior to the land use change or, in the City’s sole discretion, move the parcel to a different Tax Zone.
3. **Conversion of an Assessor’s Parcel of Public Property to Private Use**

If, in any Fiscal Year, an Assessor’s Parcel of Public Property is converted to private use, such Assessor’s Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Assessor’s Parcel shall be determined based on the Tax Zone in which the Assessor’s Parcel is located and the land use on or expected on the Assessor’s Parcel, as determined by the Administrator.

**E. Method of Levy of Special Tax**

Each Fiscal Year, the Administrator shall determine the Tax Zone Special Tax Requirement to be collected in that Fiscal Year from each Tax Zone; the City shall then levy the Special Tax according to the following steps:

**Step 1.** The Special Tax will be levied Proportionately on Developed Property within a particular Tax Zone up to 100% of the Maximum Special Tax for each Assessor’s Parcel in that Tax Zone until the amount levied is equal to the Tax Zone Special Tax Requirement.

**Step 2.** If additional revenue is needed after Step 1 to meet the Tax Zone Special Tax Requirement, the Special Tax will be levied Proportionately on Final Map Property in that Tax Zone up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Final Map Property in the Tax Zone.

**Step 3.** If additional revenue is needed after Step 2 to meet the Tax Zone Special Tax Requirement, the Special Tax will be levied Proportionately on Undeveloped Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Undeveloped Property in the Tax Zone.

**F. Manner of Collection of Special Tax**

The Special Tax will be collected in the same manner and at the same time as ordinary ad valorem property taxes, except that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax will be levied and collected in perpetuity.

**G. Exemptions**

Notwithstanding any other provision of this RMA, the Special Tax will not be levied in any Fiscal Year on Exempt Property.
H. RECORDS MAINTAINED FOR THE CFD

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

- The current Assessor’s Parcel Number
- The current Final Map status for the Assessor’s Parcel
- The current Building Permit status for the Assessor’s Parcel
- The designated and existing uses for the Assessor’s Parcel
- The total number of Residential Units assigned to the Assessor’s Parcel
- The Maximum Special Tax assigned to the Assessor’s Parcel

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City Council may, by resolution, interpret this RMA for purposes of clarifying any vagueness or ambiguity in the Special Tax rates, method of apportionment, classification of properties, and definitions applicable to the CFD. The City Council’s interpretation will be conclusive. In addition, the City, upon request of an owner of land that is not Developed Property, may amend this RMA to reallocate the Special Tax applicable to such owner’s land in a manner acceptable to the City, without resolution or ordinance of the City Council, upon the affirmative vote of such owner and without the vote of owners of any other land within the CFD, provided such amendment: (i) only affects such owner’s land, and (ii) provides for a Special Tax distribution upon development of such land which is reasonably proportional and consistent with Special Tax rates provided for in Section C (including escalations thereto) for similar land uses and is compliant with the tax assessment loan exception contained in U.S. Treasury Regulation Section 1.141-5(d), as determined by the City.

J. APPEALS

A taxpayer who believes that the amount of the Special Tax assigned to the taxpayer’s Assessor’s Parcel is in error may file a notice with the Administrator, who will then promptly review the appeal and, if necessary, meet with the taxpayer. If the Administrator determines that the Special Tax should be modified, then the Special Tax levy will be corrected and, if applicable, a credit or refund will be granted. The Administrator may do the following without the City Council’s approval:

1. Interpret this RMA for purposes of clarifying matters as they relate to the Special Tax rate, the method of apportionment, the classification of properties, or the definitions applicable to the CFD.

2. Make minor, non-substantive administrative and technical changes to this RMA for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law, but only if the changes do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax.
Exhibit D
Sacramento Services CFD No. 2018-05
Annexation Procedures

Step 1) After contact from landowner:

- Review Map Conditions to determine the maintenance services required for the project
- Verify the required services are authorized in Attachment 1 of the Rate and Method of Apportionment (RMA) for the Sacramento Services CFD No. 2018-05 (CFD)
- Calculate fee - $4,000 base fee, which includes one category of service, and then $1,000 for each additional category of service required for a maximum of $6,000. Categories of maintenance services include but are not limited to drainage, water quality, sewer, roadway, open space, and park maintenance.
- Send annexation application to landowner

Once Application and Payment is received:

Step 2) Certify, with the Clerk’s office and the County, that there are less than 12 registered voters within the proposed annexation territory and prepare Certificate Relative to Voters

Step 3) To set the budget, confirm, with the affected departments, the total cost to provide the required services and administration as well as amounts reasonably required for maintenance contingencies.

Step 4) Using the definitions in the RMA, set the rates for the land use categories on the chart below at a level that ensures the amount of special tax levied on the parcels to be annexed is sufficient to pay the entire cost of services. This becomes the maximum tax for the annexation parcels and can only be increased pursuant to the RMA. If the rates are similar to those of an existing Tax Zone, the territory to be annexed can be included in that existing Tax Zone. If unique rates are needed to pay the entire cost of services for the annexing territory, then a new Tax Zone will be created, as specified in the RMA.
<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Basis of Tax</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Detached Property</td>
<td>per Residential Unit</td>
<td>$</td>
</tr>
<tr>
<td>Single Family Attached Property</td>
<td>per Residential Unit</td>
<td>$</td>
</tr>
<tr>
<td>Condominium Property</td>
<td>per Residential Unit</td>
<td>$</td>
</tr>
<tr>
<td>Multi-Family Residential Property</td>
<td>per Residential Unit</td>
<td>$</td>
</tr>
<tr>
<td>Non-Residential Property</td>
<td>per Non-Residential Square Foot</td>
<td>$</td>
</tr>
<tr>
<td>Other Property</td>
<td>per Acre</td>
<td>$</td>
</tr>
<tr>
<td>Final Map Property</td>
<td>per Acre</td>
<td>$</td>
</tr>
<tr>
<td>Undeveloped Property</td>
<td>per Acre</td>
<td>$</td>
</tr>
</tbody>
</table>

Step 5) Complete Waiver and Unanimous Consent Form

  Complete Ballot
  - Name of Landowner
  - Number of votes to be cast
  - Appropriation limit per fiscal year
  - Above Rate Chart completed

Step 6) Determine the Annexation # and Tax Zone the territory will be included in and mail or email Waiver and Unanimous Consent Form and Ballot to Landowner

Step 7) Landowner completes and signs Waiver and Unanimous Consent and Ballot Form and returns to PIF

Step 8) Send wet copy ballot over to City Clerk’s Office as official repository

Step 9) Obtain City Clerk’s Signature & Seal on 2 Boundary Maps and Record Boundary Map at the County Recorder’s Office within 15 days of unanimous approval

Step 10) Prepare the Notice of Special Tax Lien (obtain book and page number and date of recordation from 2nd copy of recorded Boundary map) and Obtain City Clerk’s Signature & Seal on 2 copies of Notice of Special Tax Lien

Step 11) Record Notice of Special Tax Lien within 15 days of unanimous approval

Step 12) Once verification that payment has cleared bank - sign off on condition in Accela send confirmation email to applicant and the map division.