

APPROVED
BY THE CITY COUNCIL

MAR 30 1999

OFFICE OF THE
CITY CLERK



1.7

DEPARTMENT OF
PUBLIC WORKS

TECHNICAL SERVICES
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

SPECIAL DISTRICTS
1231 I STREET, ROOM 300
SACRAMENTO, CA 95814

PH 916-264-7113
FAX 916-264-7480

March 15, 1999

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ANNEXATION No. 1 TO THE NORTH NATOMAS COMMUNITY FACILITIES
DISTRICT NO. 4 - RESOLUTION OF INTENTION**

LOCATION AND COUNCIL DISTRICT:

The proposed annexation to Community Facilities District (CFD) No. 4 will include approximately 20 gross acres, parcel 201-0310-027-0000 owned by Rosalie Meadows, located in Council District 1 (see Resolution Exhibit A).

RECOMMENDATION:

This report recommends that the City Council:

- Adopt the Resolution of Intention to annex territory to North Natomas CFD #4; and call for a public hearing on May 6, 1999.
- Approve the Boundary Map.

CONTACT PERSON:

Jim Johnston, Administrative Analyst, 264-7967

FOR COUNCIL MEETING OF:

March 30, 1999

SUMMARY:

- This report presents a proposal to initiate annexation No. 1 to the North Natomas CFD #4. The CFD allows the City to issue Mello-Roos bonds to finance the drainage facilities for Basins 1, 2, and 4, which will be constructed as three independent systems. The recommended Council action will formally initiate the annexation proceedings and set the public hearing for May 6, 1999.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

In June 1997, the City Council in conjunction with North Natomas property owners successfully completed the formation of Community Facilities District No. 1. The improvements funded by that district provided increased conveyance capacity (to the Sacramento River) in the existing Reclamation District 1000 system. Those improvements allow the 5,800 acres of North Natomas to be removed from the underlying 100-year floodplain upon completion of drainage infrastructure specific to each individual drainage basin. North Natomas CFD No. 4 was formed September, 1998, to fund the improvements for basins 1, 2, and 4.

The Rosalie Meadows property was excluded from the CFD #4 at that time, at her request.

Improvements are to be phased. The first phase bond in the amount of \$16,215,000 has been sold. The bonds will fund construction, which will include:

- Drainage facilities for Basins 1, 2, and 4 and be constructed as three independent systems. Facilities to be funded by CFD No. 4 include, for each basin, a drainage basin, conveyance systems and a pump station to transmit surface water into the RD 1000 system; supplemental backbone facilities such as roads, sewer and water; engineering; right-of-way acquisition, administration, and legal costs.

CFD Special Election Proceedings

The annexation to this district is in compliance with the Community Facilities District Act of 1982. As part of the proceedings a special election is required. In this case it requires only the vote of the landowner being annexed, Rosalie Meadows property, parcel No. 201-0310-027-0000.

FINANCIAL CONSIDERATIONS:

There will be no impact to the General Fund. The improvements are proposed to be constructed in several phases at a total cost of approximately \$54 million in 1998 dollars. The full bond authorization approved in October 1998 was \$85 million to cover bond costs and inflation due to phasing.

ENVIRONMENTAL CONSIDERATION:

The North Natomas Comprehensive Drainage Plan EIR was approved by City Council on May 20, 1997. The City Council's action in approving this Resolution of Intention to form a CFD is solely for the purpose of initiating the process by which a CFD may ultimately be formed and is itself therefore, not a project for purposes of the California Environmental Quality Act.

City Council
North Natomas CFD No. 4
March 15, 1999

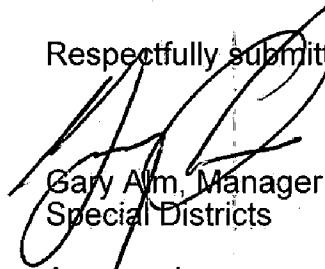
POLICY CONSIDERATIONS:

The procedures under which this district is being formed are set forth in Title 5 of the Government Code Sections 53311 - 53317.5 entitled, "The Mello-Roos Community Facilities Act of 1982."

ESBD CONSIDERATIONS:

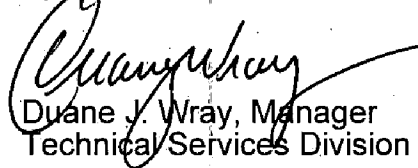
City Council adoption of the attached resolution is not affected by City policy related to the ESBD Program.

Respectfully submitted,



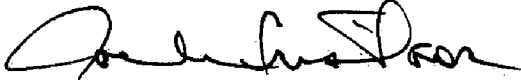
Gary Alm, Manager
Special Districts

Approved:



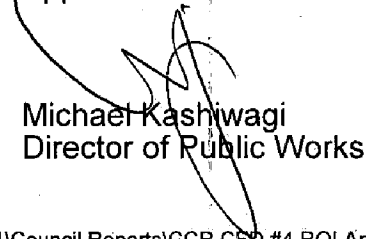
Duane J. Wray, Manager
Technical Services Division

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

Approved:



Michael Kashiwagi
Director of Public Works

JJ:jd

S:\TECHSVC\Project Delivery\SpecDist\JimJNN CFD #4 ANNEX #1\Council Reports\CCR CFD #4 ROI Annex.doc

Attachments

MEMORANDUM OF PROCEEDINGS TO BE CONSIDERED BY
THE CITY COUNCIL OF THE CITY OF SACRAMENTO
ON TUESDAY, MARCH 30, 1999, IN CONNECTION WITH THE
ANNEXATION OF PROPERTY TO
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

(ANNEXATION NO. 1)

It is in order for the City Council of the City of Sacramento to consider the following in connection with the annexation of property to its North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California:

A. Council Action Item:

- ✓ 1. Resolution of the City Council of the City of Sacramento Declaring its Intention to Annex Territory to North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California, and Calling a Public Hearing to Consider Such Proposed Annexation.

B. Items to be Filed with the City Clerk:

- ✓ 1. Annexation Map No. 1.
- ✓ 2. Certificate of Mailing Notice of Public Hearing on the Resolution of Intention to Annex Territory to North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California.

C. Additional Instructions for the City Clerk:

1. Annexation Map No. 1

- a. A ~~mylar~~ and three (3) blue line-prints should be delivered to the City Clerk.
- ✓ b. On the mylar and the three (3) blue-line prints of Annexation Map No. 1, please do the following:
- ✓ i. Fill in the filing certificate using March 30, 1999, as the filing date and sign the certificate.
- ✓ ii. Fill in the approval certificate of the City Council using March 30, 1999, as the approval date and fill in the number of the resolution approving the annexation map and sign the certificate.

iii. Have the mylar of Annexation Map No. 1' filed for record in the office of the County Recorder of Sacramento County and request the Recorder's office to conform the recording date and the book and page number in which the map was recorded on the three (3) blue-line prints of the map. Keep one conformed blue-line print for your permanent files and send two prints to Orrick for the attention of Amy Wong.

2. Notice of Public Hearing on the Resolution of Intention to Annex Territory:

- ✓ a. Arrange for publication of the Notice of Public Hearing once in the *Daily Recorder* no less than 7 days prior to the public hearing. Request a proof of publication in triplicate. Keep one copy in for your files and send two copies to Orrick for the attention of Amy Wong.
- ✓ b. Mail a copy of the Notice of Public Hearing to the owner of the property proposed to be annexed as soon as possible, but no later than 15 days prior to the public hearing.

3. Certificate of Mailing Notice of Public Hearing on Resolution of Intention to Annex Territory:

- ✓ a. Please attach a copy of the Notice of Public Hearing to each copy of the Certificate of Mailing as Exhibit A.
- ✓ b. Execute the Certificate of Mailing in triplicate. Keep the original in your file of proceedings and send two (2) copies to Orrick for the attention of Amy Wong.
- c. In addition to the above documents, please send two (2) certified copies of the adopted resolution to Orrick for the attention of Amy Wong.

If you have any questions regarding these instructions, please call:

Carlo Fowler, Bond Attorney (415) 773-5884

or

Amy Wong, Project Manager, Public Finance (415) 773-4262

at

ORRICK, HERRINGTON & SUTCLIFFE LLP

CLERK'S CERTIFICATE

I, Valeric A. Burrowes, City Clerk of the City of Sacramento, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 30th day of March, 1999, of which meeting all of the members of said Council had due notice and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda for said meeting was posted at least seventy-two (72) hours before said meeting at the City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 1999.

City Clerk of the City
of Sacramento

[SEAL]

APPROVED
BY THE CITY COUNCIL

MAR 30 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 99-143

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO DECLARING ITS INTENTION TO ANNEX TERRITORY TO NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND CALLING A PUBLIC HEARING TO CONSIDER SUCH PROPOSED ANNEXATION

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

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City") has determined, under the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"), that the public convenience and necessity require that certain territory more particularly described herein (the "Territory") be annexed to the existing North Natomas Community Facilities District No. 4 (the "Community Facilities District"), City of Sacramento, County of Sacramento, State of California, the existing territory of which the Community Facilities District is more particularly described and shown on that certain map that is marked Exhibit A and attached hereto and incorporated herein and made a part hereof; and

WHEREAS, the Council is fully advised in this matter;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:

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

Section 2. The boundaries of the Territory proposed to be annexed to the Community Facilities District are more particularly described and shown on that certain map entitled "Proposed Boundaries of Annexation No. 1 to North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California"

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

on file in the office of the City Clerk, a copy of which map is marked Exhibit B and attached hereto and incorporated herein and made a part hereof, which map is hereby approved by the Council as the map of the Territory and which map shall govern for all the details thereof; and the City Clerk is hereby authorized and directed to record a copy of such map within fifteen (15) days of the adoption of this resolution 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 3. It is hereby declared to be the intention of the Council to and the Council hereby determines that, under and pursuant to the terms and provisions of the Act, the public convenience and necessity require that it commence proceedings to annex the Territory to the Community Facilities District as herein proposed.

Section 4. There is no change proposed to the types of public facilities authorized to be provided by the Community Facilities District pursuant to the Act; and accordingly the types of public facilities currently provided by the Community Facilities District in the existing Community Facilities District pursuant to the Act, and the types of public facilities proposed to be provided by the Community Facilities District in the Territory pursuant to the Act after the completion of the annexation, are as set forth in Resolution No. 98-525 establishing the Community Facilities District adopted by the Council on October 20, 1998 (the "Resolution of Formation"), which public facilities constitute pipes, collection drains and channels, pump stations, detention basins and outfall drains. Finally, there are no public services authorized to be provided by the Community Facilities District pursuant to the Act.

Section 5. The Territory proposed to be annexed to the Community Facilities District shall be subject to a special tax, from the time of its inclusion in the Community Facilities District, under the Rate and Method of Apportionment of the Special Tax contained in the Resolution of Formation, a copy of which is attached hereto as Exhibit C and is incorporated herein and made a part hereof, which special tax will be secured by the recordation of a continuing lien against all non-exempt real property in the Territory.

Section 6. No alteration of the rate and method of apportionment of the special tax within the Community Facilities District is contemplated by these proceedings either as it pertains to the area already within the Community Facilities District or as it pertains to the Territory.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 7. Notice is given that Thursday, the 6th day of May, 1999, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, at the City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, is hereby fixed by the Council as the time and place for a public hearing to be held by the Council to consider the proposed annexation of the Territory to the Community Facilities District and the levying of special taxes of the Community Facilities District within the Territory and all other matters set forth in this resolution. At such public hearing any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District and within the Territory, may appear and be heard; and the testimony of all interested persons or taxpayers for or against the proposed annexation of the Territory to the Community Facilities District or the levying of special taxes of the Community Facilitates District within the Territory or on any other matters set forth in this resolution will be heard and considered. Any protests to the foregoing may be made orally or in writing by any such interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. Since there are no registered voters in the Community Facilities District or in the Territory, the Act provides that if the owners of one-half (1/2) or more of the area of land within the Community Facilities District that are not exempt from the special tax, or the owners of one-half (1/2) or more of the area of land within the Territory that are not exempt from the special tax, file written protests against the proposed annexation of the Territory to the Community Facilities District, and such protests are not withdrawn so as to reduce the value of the protests to less than a majority, then no further proceedings to annex the Territory to the Community Facilities District as herein proposed shall be taken for a period of one (1) year from the date of the decision by the Council on the issues discussed at such public hearing. At the conclusion of such public hearing, the Council may abandon the proceedings to annex the Territory to the Community Facilities District or may, after passing upon on all protests, determine to proceed to call an election to submit to the qualified electors of the Territory the question of annexing the Territory to the Community Facilities District and authorizing the levy of special taxes of the Community Facilities District within the Territory; and if the Council determines at the conclusion of such public hearing to call such an election, the voting procedure at such election shall be by landowners in the Territory voting in accordance with the Act.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 8. Notice of the time and place of such public hearing shall be given by the City Clerk by publishing a Notice of Public Hearing in the form required by the Act in the Daily Recorder, a newspaper of general circulation published in the area of the Community Facilities District and the Territory, which such publication shall be made pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing, and by mailing a Notice of Public Hearing in the form required by the Act to all landowners within the Territory, which such mailing shall be completed at least fifteen (15) days prior to the date set for such public hearing.

* * *

PASSED AND ADOPTED by the City Council of the City of Sacramento this 30th day of March, 1999, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

MAYOR

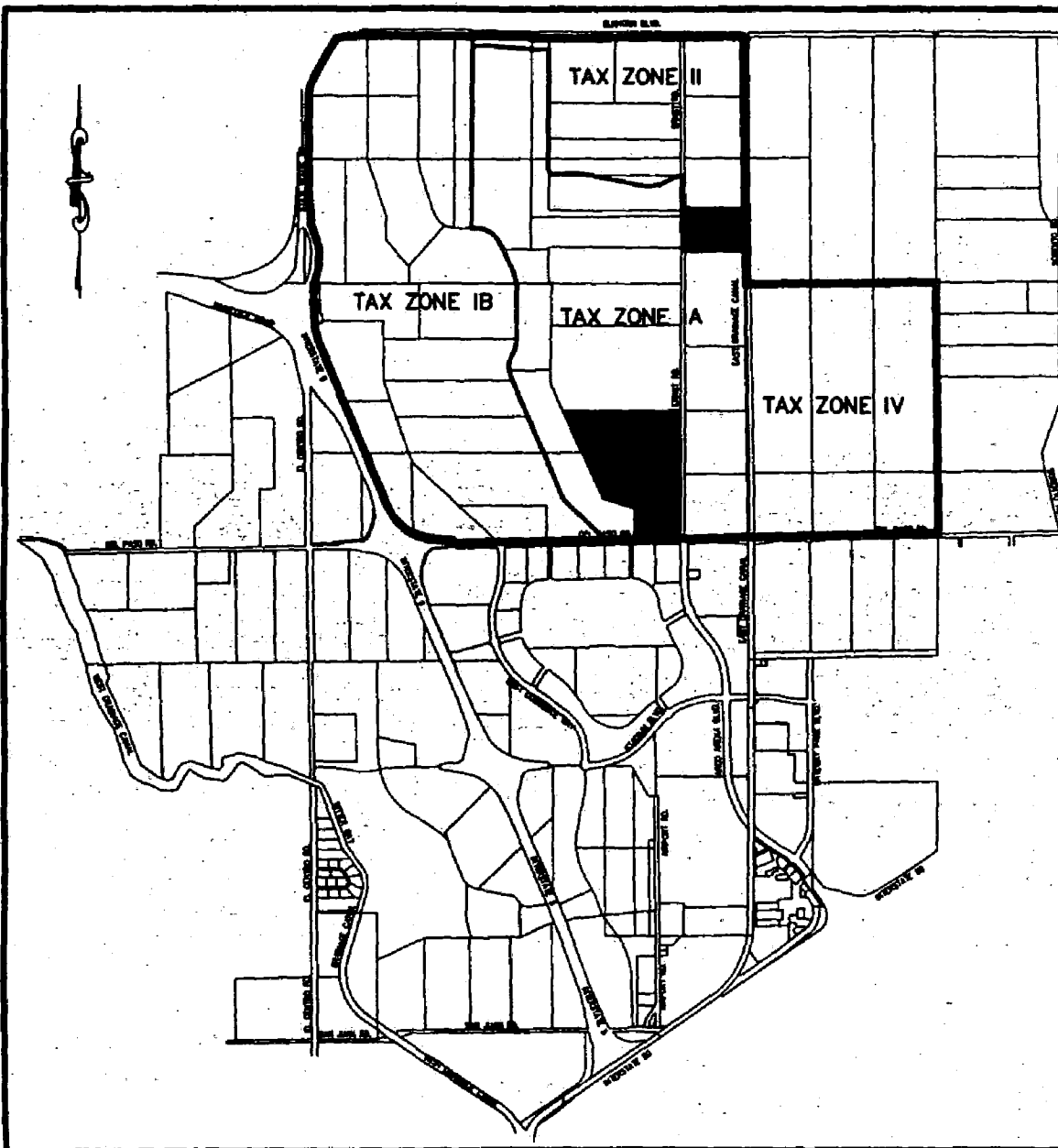
ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



**PROPOSED BOUNDARIES OF
NORTH NATOMAS
COMMUNITY FACILITIES DISTRICT No. 4**
CITY OF SACRAMENTO - COUNTY OF SACRAMENTO - STATE OF CALIFORNIA
SHEET 1 OF 1 SHEETS

CLERK'S CERTIFICATE AND MAP FILING STATEMENT.

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS _____ DAY OF _____, 1998.



I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A REGULAR MEETING THEREOF HELD ON THE _____ DAY OF _____, 1998 BY ITS RESOLUTION NO. _____.

CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT.

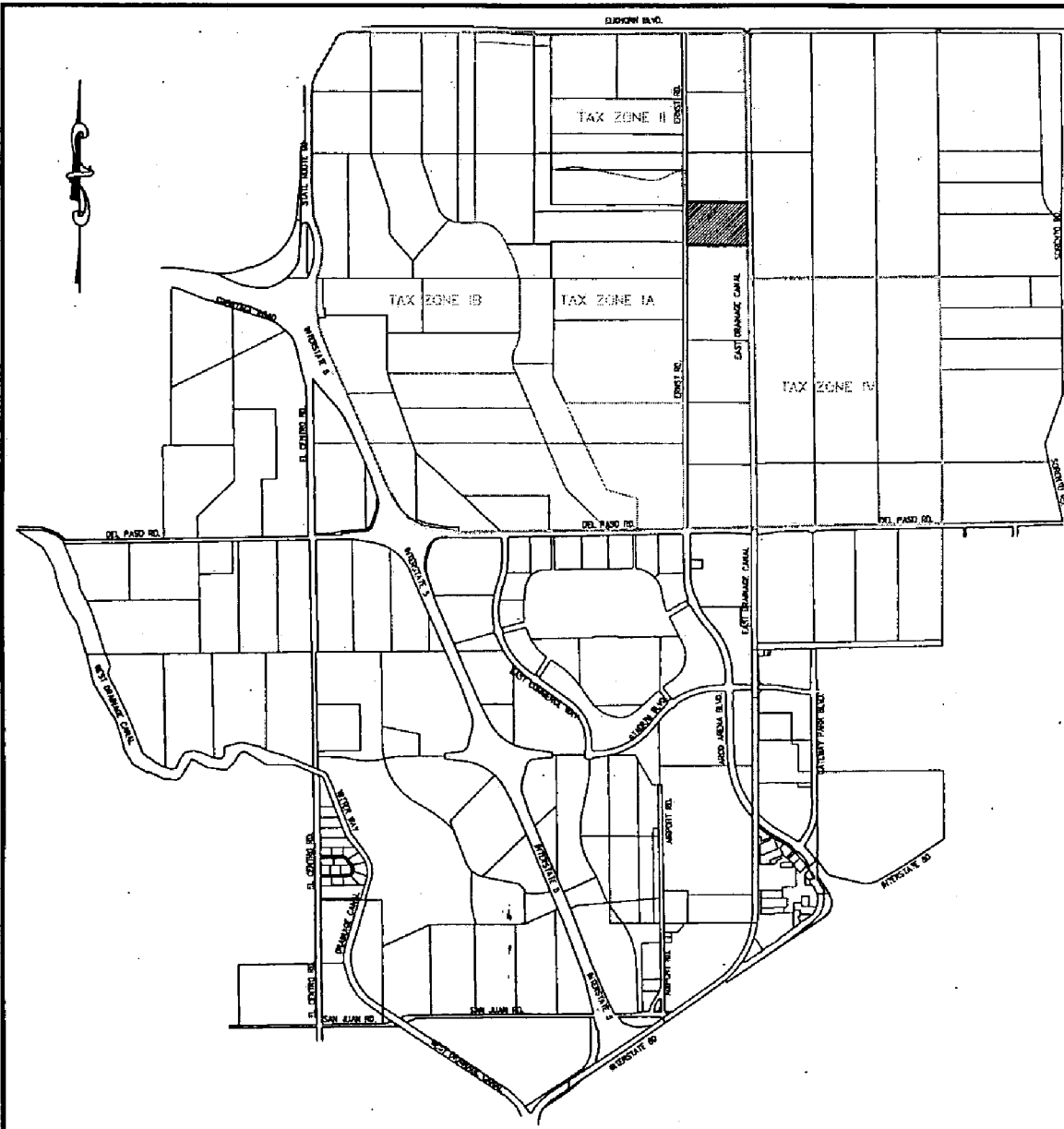
FILED THIS _____ DAY OF _____, 1998 AT THE HOUR OF _____ O'CLOCK
A.M. IN BOOK _____ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY
FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER,
OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE COUNTY OF
SACRAMENTO, CALIFORNIA

-  EXCLUDED FROM CFD
-  COMMUNITY FACILITIES DISTRICT BOUNDARY

WOOD•RODGERS  INC.

EXHIBIT A



**PROPOSED BOUNDARIES OF
ANNEXATION No.1 TO NORTH NATOMAS
COMMUNITY FACILITIES DISTRICT No.4**

CITY OF SACRAMENTO - COUNTY OF SACRAMENTO - STATE OF CALIFORNIA
SHEET 1 OF 1 SHEETS

CLERK'S CERTIFICATE AND MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 1998.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL, OF THE CITY OF SACRAMENTO AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____ 1998 BY ITS RESOLUTION NO. _____

CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT:

FILED THIS ____ DAY OF _____, 1998 AT THE HOUR OF ____ O'CLOCK ____ M., IN BOOK ____ OF MAPS OF ASSESSMENT DISTRICTS 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

 ANNEXATION No. 1

 COMMUNITY FACILITIES DISTRICT BOUNDARY

WOOD-RODGERS INC.
CITY ENGINEER
HALFON
SECTION
1200 STREET SACRAMENTO, CA 95811
TEL: (916) 478-1400 FAX: (916) 478-1401

EXHIBIT B

North Natomas Drainage CFD No. 4
Rate and Method of Apportionment
October 2, 1998

City of Sacramento, California
North Natomas Community Facilities District No. 4
(Drainage Basins No. 1, No. 2, & No. 4)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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 the North Natomas Drainage Community Facilities District No. 4 (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 determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants, legal counsel, corporate bond-paying agents, fiscal agents, and bond trustees; the costs of collecting installments of the Special Taxes upon the general tax rolls; cost of arbitrage calculation and arbitrage rebates, preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"**Annexation Parcel**" means a Parcel that was not included within the boundaries of the CFD at the time of formation. Later participation in the CFD requires annexation proceedings.

"**Annual Costs**" means, for any Fiscal Year, the total of (i) Debt Service for the Calendar Year commencing January 1 of such Fiscal Year through December 31 of the following Fiscal Year; (ii) Administrative Expenses for such Fiscal Year; (iii) any amounts needed to replenish any bond reserve fund for bonds of the City issued for the CFD to the level required under the documents pursuant to which such bonds were issued; (iv) an amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous Fiscal Year and an amount for anticipated delinquencies for the current Fiscal Year; (v) pay-as-you-go expenditures for authorized facilities to be constructed or acquired by the CFD, less any credit from earnings on the bond reserve fund, less any reimbursements, less any grants/other project funding and/or less the application of any funds available from Prepayments as described in Section 6.

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

"**Authorized Facilities**" means those improvements, as listed in the Resolution forming the CFD.

"**Bond Year**" means the 12-month period ending on the second bond payment date of each calendar year as defined in the resolution authorizing the issuance of bonds.

"**CFD**" means the North Natomas Drainage Basins No. 1, No. 2 and No. 4 Community Facilities District No. 4 of the City of Sacramento, California.

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

"**Condominium Parcel**" means a Developed Parcel with an approved land use for condominiums (more than two attached dwelling units which are owned individually). Parcels that are open space, recreation, clubhouse etc, owned by a Condominium Association or Home Owners Association, are Tax-Exempt Parcels.

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

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

"**Debt Service**" means for each Fiscal Year or Bond Year, the total amount of principal and interest for any bonds, notes or certificates of participation of the City for the CFD during that Fiscal Year or Bond Year, less any applicable credits that may be available from any other sources available to the City to pay principal and interest for the previous or current Fiscal Year or Bond Year.

"**Detached Residential Unit Parcel**" means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit, or a duplex (two units per lot). The Special Tax assigned to a unit or duplex is determined by the calculated median lot size group of the Final Subdivision Map. See Section 4.A.4.

"**Developed Parcel**" means a Parcel which has a:

- recorded final small lot subdivision map for residential uses permitting up to 2 units per lot,
- special use permit for residential use permitting 3 or more units per lot, or
- special use permit for Non-Residential Development.

Once classified as Developed, no Parcel shall be removed from these classifications unless the special use permit expires, is revoked, or is otherwise terminated.

"**Developable Parcel**" means a Parcel which has been created after 1/1/94 by a recorded Master Parcel Map, or any other Final Subdivision Map, but that still requires further subdivision into individual small lots or a special use permit to develop. A Parcel may also be reclassified from a Development-Restricted Parcel to a Developable Parcel as a result of a lot line adjustment, provided the property owner gives written authorization to the City.

"Development-Restricted Parcel" means a Taxable Parcel that has not met the definition of a Developable Parcel or a Developed Parcel. These Parcels may only be taxed after the City has received written authorization from the property owner.

"Development Year" means, for each Developable Parcel, the Fiscal Year in which the Parcel changes classifications from Development-Restricted Parcel to Developable Parcel, or Developable Parcel to Developed Parcel.

"Estimated Net Acre" means the actual Net Acre of a Parcel(s) or an approximation of the Net Acres based upon the total Gross Developable Acres less an allowance for minor streets as indicated in the North Natomas Community Plan.

"Final Use Parcel" means a Parcel which has been created by a recorded Master Parcel Map or other recorded Final Subdivision Map and requires no further subdivision in order to develop. The Parcel will be classified as a Developable Parcel until a special use permit has been issued. If the City cannot determine if a Parcel is to be classified as a Final Use Parcel or a Large Lot Parcel, then the Parcel shall be classified as a Large Lot Parcel.

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

"Gross Acre" means the entire area of a Parcel prior to dedication of major streets, schools, parks, open space and other public right-of-way.

"Gross Developable Acre" means the area of a Parcel associated with residential and non-residential uses after dedication of major streets, but prior to dedication of minor streets.

"Large Lot Parcel" means a Parcel which is created by a recorded Master Parcel Map or recorded Final Subdivision Map, which requires further subdivision or other entitlements and dedications of public land in order to develop.

"Master Parcel Map" means a map that subdivides large tracts of land into smaller parcels for the purpose of later selling or otherwise transferring the parcels for further subdivision in accordance with City procedures, or for the purpose of securing financing, together with planning and construction of infrastructure elements, but not for the purpose of creating either individual residential lots for sale to end-user homeowners, and not for the purpose of allowing construction or other improvements on Non-Residential Parcels.

"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 relevant acres or units of the 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.

"Net Acre" is the area of a Parcel associated with residential and non-residential uses after dedication of all public uses and rights-of-way.

"Non-Participating Parcel" means a Parcel, which is not part of a recorded Master Parcel Map, and does not have authorization from the property owner to be taxed. Any such Parcel shall be a Tax-Exempt Parcel. Any Non-Participating Parcel which subsequently becomes Taxable must be reclassified as a Developable Parcel or a Parcel of higher tax status. Once the Non-Participating Parcel has been reclassified as a Taxable Parcel, it cannot revert to Non-Participating Parcel status.

"Non-Residential Development" means a Taxable Parcel designated for retail, commercial, office, industrial, or similar use as defined in the North Natomas Community Plan.

"Non-Residential Parcel" means a Developed Parcel with an approved land use for Non-Residential Development.

"Other Residential Parcel" means a Developed Parcel with an approved land use for other than Detached Residential Unit Parcel or Condominium Parcel, such as three or more attached residential units owned in common.

"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.

"Prepayment" means the permanent satisfaction of the entire Special Tax obligation for one or more Parcels by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6. Prepayment may occur before or after the initial bond sale, with differing criteria.

"Prepayment Parcel" means a Parcel which has permanently satisfied the entire Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6.

"Public Parcel" means any Parcel, in its entirety, that is or is intended to be publicly owned as designated by the City that is normally exempt from the levy of general ad valorem property taxes under California law, including 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 as described below. Any such Parcel shall be a Tax-Exempt Parcel, except for Taxable parcels that are acquired by a public

agency, in which case the Special Tax obligation for such parcels shall be required to be permanently satisfied pursuant to Sections 53317.3 and 53317.5 of the Government Code by the procedure described in Section 6.

"Reimbursement Parcel" means a Parcel for which the Parcel owner has advance-funded the Parcel's allocated CFD drainage improvement costs, as determined by the City, but has not received any reimbursement from CFD bond proceeds. Once a reimbursement has been made, the Parcel shall be reclassified as a Developed Parcel, Developable Parcel, or a Development-Restricted Parcel.

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

"Tax Zone" means the Tax Zone indicated in Attachment 3.

"Tax Zone IA" means the area labeled on Attachment 3 within Drainage Basin No. 1.

"Tax Zone IB" means the area labeled on Attachment 3 within Drainage Basin No. 1.

"Tax Zone II" means the area labeled on Attachment 3 within Drainage Basin No. 2.

"Tax Zone IV" means the area labeled on Attachment 3 within Drainage Basin No. 4.

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

"Tax-Exempt Parcel" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels (subject to the limitations set forth in Section 4, below), (ii) any Prepayment Parcel, and (iii) Non-Participating Parcels. Certain non-developable privately owned Parcels may also be exempt from the levy of Special Taxes as determined by the City such as common areas, wetlands, and open space.

"Tentative Subdivision Map" means a tentative subdivision map defined under the California Subdivision Map Act and Title 40 of the Sacramento City Code.

"Tentative Map Parcel" means a Development-Restricted Parcel, which has an approved Tentative Master Parcel Map or an approved Tentative Subdivision Map, but for which no Final Subdivision Map has been recorded.

"Unmapped Parcel" means a Development-Restricted Parcel that does not have a Tentative Master Parcel Map or Tentative Subdivision Map.

"Veteran Developed Parcel" means a Parcel that had been classified as a Developable or Developed Parcel for thirty years. After 30 years of being subject to the Special Tax as a

Developable or Developed Parcel, the Veteran Developed Parcel is only subject to the Special Tax if there is a shortfall in the revenues generated from all other Taxable Parcels to pay for the Annual Cost of the CFD.

"Zone IA Parcel" means each Parcel that lies within Tax Zone IA.

"Zone IB Parcel" means each Parcel that lies within Tax Zone IB.

"Zone II Parcel" means each Parcel that lies within Tax Zone II.

"Zone IV Parcel" means each Parcel that lies within Tax Zone IV.

3. Termination of the Special Tax

The Special Tax will be levied on and collected from Taxable Parcels in the CFD for as long as needed to pay the principal and interest on debt for the Bonds issued to fund Authorized Facilities. However, in no event shall the Special Tax be levied after Fiscal Year 2039-2040.

When all of the bonds issued to pay for Authorized Facilities have been retired, the Special Tax shall cease to be levied. The City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

4. Assignment of Maximum Annual Special Tax

A. Classification of Parcels. By May 1 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 cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel, Taxable Parcel, or Reimbursement Parcel.

However, Taxable Parcels that are acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if Public Parcels, such as a school site, are relocated and the previously Tax-Exempt Parcels of comparable acreage become Taxable Parcels. This trading of Parcels will be permitted to the extent that there is no net loss in maximum Special Tax revenue.

2. Each Taxable Parcel to be identified according to the Tax Zone that it is located in.
3. Each Taxable Parcel within its specified Tax Zone to be further classified as a Developed Parcel, Developable Parcel, Development-Restricted Parcel, Veteran Developed Parcel, or Prepayment Parcel. Once classified as a Developed Parcel,

no Parcel shall be removed from the Developed classification unless the special use permit expires, is revoked, is otherwise terminated, or the Parcel is classified as a Veteran Developed Parcel, or becomes a Prepayment Parcel.

4. In the event that a Final Subdivision Map has Detached Residential Units with different lot size groups (e.g. 4,500 sq. ft lots and 6,000 sq. ft lots), each Developed Parcel will be further classified according to the calculated median lot size in each of the lot size groups. This is to avoid an outlying lot size in a Developed Parcel from paying a different tax rate.

B. Assignment of Maximum Annual Special Tax. The City shall assign the appropriate Maximum Annual Special Tax for the Fiscal Year of the tax levy to each Taxable Parcel as follows (Prepayment Parcels skip to Section 6):

1. Developed Parcels and Veteran Developed Parcels

Attachment 1 shows the Maximum Special Tax Rates per unit for Developed Parcels and Veteran Developed Parcels by Fiscal Year. The only change in the Maximum Annual Special Tax for a Developed Parcel shall be if a Prepayment occurs after the Development Year in accordance with Section 6 below.

2. Developable Parcels

Attachment 1 also shows the Maximum Special Tax Rates for Developable Parcels by Fiscal Year. Recorded Final Use Parcels will be taxed per Net Acre. Recorded Large Lot Parcels will be taxed per Gross Developable Acre.

3. Development-Restricted Parcels

The Maximum Special Tax Rates for Development-Restricted Parcels is shown in the far right column of Attachment 1. Tentative Map Parcels and Unmapped Parcels will be taxed per Gross Acre.

C. Reimbursement Parcels. The Maximum Special Tax Rate for a Reimbursement Parcel shall be set to zero until it is reclassified as a Developed Parcel.

D. Conversion of a Public Parcel to a Taxable Parcel. If a Public Parcel is not needed for public use and is converted to a taxable use, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel shall be assigned according to 4.A and 4.B above.

E. Reclassification of a Non-Participating Parcel from Tax-Exempt status to Taxable status. Once a Non-Participating Parcel records a Master Parcel Map, the Parcel must be reclassified as a Taxable Parcel, and shall be classified as a Developable Parcel, or a Parcel of higher tax status. The Maximum Annual Special Tax for such a Parcel shall be assigned according to 4.A and 4.B above.

- F. Annexation Parcels. Parcels annexing to the CFD shall have their Maximum Special Tax rate assigned by following the procedures in Section 4.B above.

5. Calculating Annual Special Taxes

The City shall compute the Annual Costs for each Tax Zone, and determine the Maximum Annual Special Tax for each parcel based on the assignment in the Special Tax in Section 4. The City will then determine the tax levy for each parcel using the following process:

- A. Compute the share of Annual Costs for each Tax Zone by the following steps:
- Determine share of total facilities costs funded by CFD bonds for each Tax Zone. For each series of bonds issued, the share of total facilities costs funded by CFD bonds will be set at the time of sale of bonds, and will be used until all bonds for that issue have been retired.
 - Add the total pay-as-you-go expenditures for the present and prior year for each Tax Zone.
 - Add the allocation of bond-funded costs and pay-as-you-go expenditures for each Tax Zone.
 - Determine the percentage share of bond-funded facilities cost and pay-as-you-go expenditures for each Tax Zone. Calculate this by dividing the result of the last step by total bond-funded costs and pay-as-you-go expenditures in the CFD.
 - Multiply Annual Costs by the percentage share to determine the allocation of Annual Costs for each Tax Zone.
- B. For each Tax Zone, calculate the Special Tax for each Taxable Parcel by the following steps:
- Determine if sufficient special tax revenues are available by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than the Annual Costs assigned to the Tax Zone, the tax is reduced proportionately against Developed Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
 - If revenues from taxing Developed Parcels at 100% of their Maximum Annual Special Tax are not sufficient, the City will then proportionately levy the tax on Developable Parcels up to 100% of their Maximum Annual Special Tax until the tax levy is set at an amount sufficient to cover each Tax Zone's Annual Costs.
 - If revenues from taxing Developed and Developable Parcels is not sufficient, Development-Restricted Parcels will be levied up to 100% of their Maximum Annual Special Tax.

- If revenues are still not sufficient to pay for the Annual Cost, the City will then proportionately tax Veteran Developed Parcels up to 100% of the Maximum Special Annual Tax until the tax levy is set at an amount sufficient to cover Annual Costs.

C. Levy on each Taxable Parcel the amount calculated above.

D. 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 the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the 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 correct any errors in the determination of the parcels subject to the tax and their Special Tax assignments.

6. Prepayment of Special Tax Obligation

With a Prepayment, a landowner may permanently satisfy the Special Tax obligation for one or more parcels. By exercising the right to Prepayment, a landowner can eliminate the future annual Special Tax liability for one or more parcels.

Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment does not jeopardize the ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner who wishes to exercise the right to a Prepayment for a Parcel must pay any and all delinquent Special Taxes and penalties.
- Prepayment shall be made on or before June 1 in order to prevent the levy of special taxes due during the Fiscal Year beginning July 1.

The total Prepayment amount will include the Parcel's proportionate share of all estimated costs necessary to construct the Authorized Facilities (the "base Prepayment amount") plus any additional administrative and financing costs necessary to redeem bonds and calculate the Prepayment. These calculations are described below.

CALCULATE BASE PREPAYMENT AMOUNT (for Attachment 2)

The base Prepayment amount will vary each year depending upon whether or not bonds have been issued and whether any bonds have been redeemed. The base Prepayment amount will be recalculated with each bond issue and on an annual basis at the time that the CFD's annual report is prepared. The annual base Prepayment amount shall be calculated using the following steps.

- Step 1: Determine the total number of acres within the CFD in each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres. The acreage of all prior Prepayment Parcels will be excluded from the calculation of total acres.

- Gross Acres equal the original Gross Acres at the formation of the CFD plus any acreage that has been annexed into the CFD.
- If the acreage in the Gross Developable Acreage category is not known, it will be set by multiplying Gross Acres by a factor of 0.729.
- If the acreage in the Net Acreage category is not known, it will be set by multiplying Gross Developable Acres by a factor of 0.857.

Step 2: Determine the amount of the facility construction cost including CFD formation costs; total bond authorization; or total outstanding bonds, if all bonds have been issued. The facility construction cost will be based on the cost of facilities that have been constructed or bid plus the estimated cost of facilities yet to be constructed or bid with inflation to date.

Step 3: Calculate the base Prepayment amount per acre of the Prepayment Parcel:

Divide the total costs from the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds if bonds have been issued) by the acreage in the CFD for each of the three acreage categories. Where the cost basis is the bond authorization or outstanding bonds, multiply the above result by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g. per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

Step 4: For Detached Residential Unit and Condominium Parcels, calculate the base Prepayment amount per unit of the Prepayment Parcel as follows: (for Other Residential and Non-Residential Parcels skip to Step 5)

Divide the Prepayment amount per Net Acre by the average number of lots per Net Acre according to the appropriate lot size for detached residential units (including duplexes), or average number of condominiums per Net Acre, as indicated in **Attachment 2**.

Step 5: Update **Attachment 2** based on the above calculations to reflect the base Prepayment amount per acre for the upcoming Fiscal Year. The **Attachment 2** included in this document is as of the formation of the CFD based on the current estimated acreage, by category, and estimated costs.

DETERMINE TOTAL PREPAYMENT AMOUNT FOR PREPAYING PARCEL

The following steps will be used to determine a Parcel's total Prepayment Amount.

Prior to First Bond Sale (skip to Step 8 if bonds have been sold)

Step 6: If the Prepayment is made prior to the first bond sale, the City will determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre or per unit from Column 1 of Attachment 2 by the Parcel's total acreage or total number of units.

Step 7: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 6, the City's administrative cost for calculating these amounts.

Subsequent to the Initial Sale of Bonds

Step 8: Determine if all bonds have been sold or if the District is between the first and last bond sale. This will determine the bond issuance category for the base Prepayment amount. If the District is between the first and last bond sale, Column 2 of Attachment 2 will be used. If all bonds have been sold, Column 3 of Attachment 2 will be used.

Step 9 Parcel's base Prepayment amount will be calculated by multiplying the base Prepayment Amount per acre or per unit from either Column 2 or 3 of Attachment 2 by the Parcel's total acreage or total number of units.

Step 10 Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 9 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the Prepayment to first call date on the bonds, early call penalties, and other expenses incurred by the City in connection with the Prepayment calculation or the application of the proceeds of the Prepayment.

7. Records Maintained for the CFD

As development and subdivision of North Natomas takes place, the City will maintain a file containing records of the following information for each Parcel:

- the Tax Zone that the Parcel lies in;
- the current Parcel Number;
- the Parcel acreage (gross, gross developable or net);
- the Maximum Annual Special Taxes which applied in each Fiscal Year; and
- the authorized Special Taxes levied in each Fiscal Year.
- the Development Year.

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

8. Appeals

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City appealing the levy of the Special Tax. The City will then promptly review the appeal, and if necessary, meet with the applicant. If the City verifies that the tax should be modified or changed, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

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

Attachment 1
North Natomas Drainage CFD No. 4
Maximum Annual Special Tax Rates for Developed Parcels and Veteran Developed Parcels
In Tax Zones IA, IB, II & IV

Development Year	Fiscal Year Ending	Developed Parcels and Veteran Developed Parcels Maximum Annual Special Tax			
		Detached Residential Unit [1] lot size >= 5,000 sq ft per unit	Detached Residential Unit [2] lot size <5,000 sq ft. per unit	Condominiums per unit	Other Residential & Non-Residential per net acre
1	1999	\$600	\$450	\$250	\$4,300
2	2000	\$612	\$459	\$255	\$4,386
3	2001	\$624	\$468	\$260	\$4,474
4	2002	\$637	\$478	\$265	\$4,563
5	2003	\$649	\$487	\$271	\$4,654
6	2004	\$662	\$497	\$276	\$4,748
7	2005	\$676	\$507	\$282	\$4,842
8	2006	\$689	\$517	\$287	\$4,939
9	2007	\$703	\$527	\$293	\$5,038
10	2008	\$717	\$538	\$299	\$5,139
11	2009	\$731	\$549	\$305	\$5,242
12	2010	\$746	\$560	\$311	\$5,347
13	2011	\$761	\$571	\$317	\$5,453
14	2012	\$776	\$582	\$323	\$5,563
15	2013	\$792	\$594	\$330	\$5,674
16	2014	\$808	\$606	\$336	\$5,787
17	2015	\$824	\$618	\$343	\$5,903
18	2016	\$840	\$630	\$350	\$6,021
19	2017	\$857	\$643	\$357	\$6,141
20	2018	\$874	\$656	\$364	\$6,264
21	2019	\$892	\$669	\$371	\$6,390
22	2020	\$909	\$682	\$379	\$6,517
23	2021	\$928	\$696	\$386	\$6,648
24	2022	\$946	\$710	\$394	\$6,781
25	2023	\$965	\$724	\$402	\$6,916
26	2024	\$984	\$738	\$410	\$7,055
27	2025	\$1,004	\$753	\$418	\$7,196
28	2026	\$1,024	\$768	\$427	\$7,340
29	2027	\$1,045	\$783	\$435	\$7,486
30	2028	\$1,066	\$799	\$444	\$7,636
31	2029	\$1,087	\$815	\$453	\$7,789
32	2030	\$1,109	\$831	\$462	\$7,945
33	2031	\$1,131	\$848	\$471	\$8,104
34	2032	\$1,153	\$865	\$481	\$8,266
35	2033	\$1,176	\$882	\$490	\$8,431
36	2034	\$1,200	\$900	\$500	\$8,600
37	2035	\$1,224	\$918	\$510	\$8,772
38	2036	\$1,248	\$936	\$520	\$8,947
39	2037	\$1,273	\$955	\$531	\$9,126
40	2038	\$1,299	\$974	\$541	\$9,308
41	2039	\$1,325	\$994	\$552	\$9,495
42	2040	\$1,351	\$1,013	\$563	\$9,684

[1] Detached residential units median lot size >= 5,000 square feet.

[2] Detached residential units median lot size < 5,000 square feet.

Attachment 1 (continued)
North Natomas Drainage CFD No. 4
Maximum Annual Special Tax Rates for Developable Parcels
and Development-Restricted Parcels in Tax Zones IA, IB, II & IV

Development Year	Fiscal Year Ending	Developable Parcels Maximum Annual Special Tax		Development-Restricted Parcels Maximum Annual Special Tax
		Final Use Parcels	Large Lot Parcels	Unmapped Parcels and Tentative Map Parcels
	<i>30-Jun</i>	<i>per net acre</i>	<i>per gross developable acre</i>	<i>per gross acre</i>
1	1999	\$4,300	\$3,800	\$950
2	2000	\$4,386	\$3,876	\$969
3	2001	\$4,474	\$3,954	\$988
4	2002	\$4,563	\$4,033	\$1,008
5	2003	\$4,654	\$4,113	\$1,028
6	2004	\$4,748	\$4,196	\$1,049
7	2005	\$4,842	\$4,279	\$1,070
8	2006	\$4,939	\$4,365	\$1,091
9	2007	\$5,038	\$4,452	\$1,113
10	2008	\$5,139	\$4,541	\$1,135
11	2009	\$5,242	\$4,632	\$1,158
12	2010	\$5,347	\$4,725	\$1,181
13	2011	\$5,453	\$4,819	\$1,205
14	2012	\$5,563	\$4,916	\$1,229
15	2013	\$5,674	\$5,014	\$1,254
16	2014	\$5,787	\$5,114	\$1,279
17	2015	\$5,903	\$5,217	\$1,304
18	2016	\$6,021	\$5,321	\$1,330
19	2017	\$6,141	\$5,427	\$1,357
20	2018	\$6,264	\$5,536	\$1,384
21	2019	\$6,390	\$5,647	\$1,412
22	2020	\$6,517	\$5,760	\$1,440
23	2021	\$6,648	\$5,875	\$1,469
24	2022	\$6,781	\$5,992	\$1,498
25	2023	\$6,916	\$6,112	\$1,528
26	2024	\$7,055	\$6,234	\$1,559
27	2025	\$7,196	\$6,359	\$1,590
28	2026	\$7,340	\$6,486	\$1,622
29	2027	\$7,486	\$6,616	\$1,654
30	2028	\$7,636	\$6,748	\$1,687
31	2029	\$7,789	\$6,883	\$1,721
32	2030	\$7,945	\$7,021	\$1,755
33	2031	\$8,104	\$7,161	\$1,790
34	2032	\$8,266	\$7,304	\$1,826
35	2033	\$8,431	\$7,451	\$1,863
36	2034	\$8,600	\$7,600	\$1,900
37	2035	\$8,772	\$7,752	\$1,938
38	2036	\$8,947	\$7,907	\$1,977
39	2037	\$9,126	\$8,065	\$2,016
40	2038	\$9,308	\$8,226	\$2,057
41	2039	\$9,495	\$8,391	\$2,098
42	2040	\$9,684	\$8,558	\$2,140

Attachment 2
North Natomas Drainage CFD No. 4
Estimated Base Prepayment Amount 1998\$'s
(Amounts shown are subject to change annually)

Item	Column 1	Column 2	Column 3
	Construction Cost Method	Bond Authorization Method	Bond Authorization Method after Last Bond Sale
Construction and Formation Costs - 1998\$'s	\$54,200,000	\$54,200,000	\$54,200,000
Estimated Authorized Bonds [1] - Inflated \$'s	n/a	\$85,000,000	\$75,754,000
All Tax Zones Base Prepayment [2]			
Gross Acre -(Residential & Non-Res. Parcels)	\$21,993	\$31,904	\$28,434
Gross Developable Acre - (Residential & Non-Res. Parcels)	\$29,159	\$42,299	\$37,698
Net Acre - (Other Residential & Non-Res. Parcels)	\$34,733	\$50,386	\$44,905
Detached Residential Unit Median Lot Size >= 5,000 sq. ft.	\$4,846	\$7,031	\$6,266
Detached Residential Unit Median Lot Size < 5,000 sq. ft.	\$3,635	\$5,273	\$4,699
Condominium	\$2,019	\$2,929	\$2,611
Estimated CFD Acreage			
Gross Acres [3]	2,464		
Gross Developable Acres [3]	1,859		
Net Acres [3]	1,560		
Calculation of Units per Net Acre			
Detached Residential Unit Lot Size >= 5,000 sq. ft.	7.17		
Detached Residential Unit Lot Size < 5,000 sq. ft.	9.56		
Condominium	17.20		

Note: Assumes 7.5% reserve fund credit.

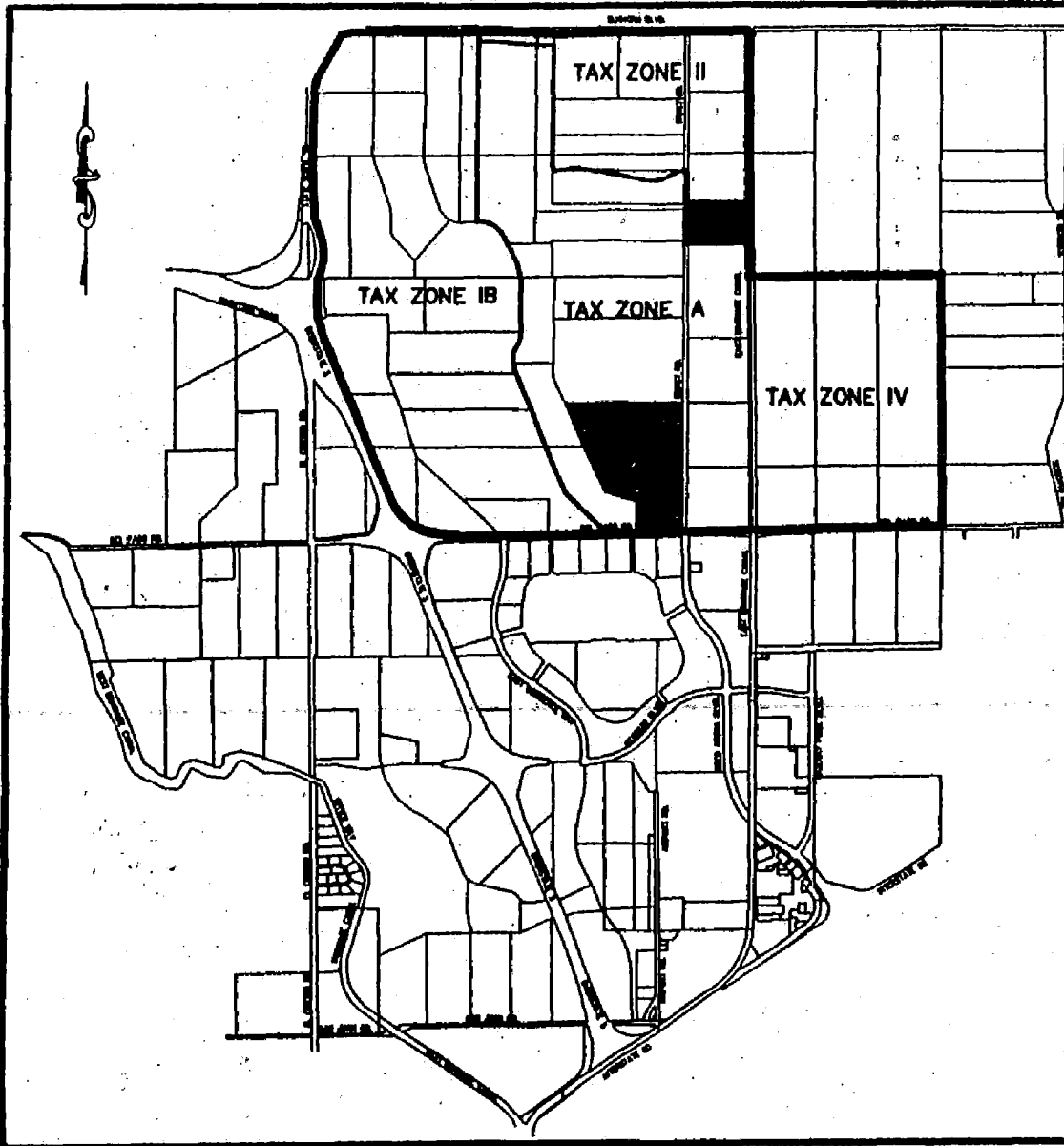
prepayment

[1] Determined annually under Step 2 of the Prepayment formula described in Section 6.

[2] Determined annually under Steps 3 and 4 of the Prepayment formula described in Section 6.

Add to these amounts the additional costs described under Step 10 of Section 6 to arrive at the total Prepayment Amount.

[3] Determined annually under Step 1 of the Prepayment formula described in Section 6.





**PROPOSED BOUNDARIES OF
NORTH NATOMAS
COMMUNITY FACILITIES DISTRICT No. 4**
CITY OF SACRAMENTO - COUNTY OF SACRAMENTO - STATE OF CALIFORNIA
SHEET 1 OF 1 SHEETS

CLERK'S CERTIFICATE AND MAP FILING STATEMENT.
FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS _____ DAY OF _____, 1998.
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL, OF THE CITY OF SACRAMENTO AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 1998 BY ITS RESOLUTION NO. _____

CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT.
FILED THIS _____ DAY OF _____, 1998 AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES DISTRICTS AT _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, CALIFORNIA

-  EXCLUDED FROM CFD
-  COMMUNITY FACILITIES DISTRICT BOUNDARY

WOOD•RODGERS INC.

Attachment 3

CERTIFICATE OF MAILING
NOTICE OF PUBLIC HEARING ON THE
RESOLUTION OF INTENTION TO ANNEX TERRITORY TO
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4
CITY OF SACRAMENTO
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

(Annexation No. 1)

On March 31st, 1999, the undersigned mailed a copy of the document entitled "Notice of Public Hearing on the Resolution of Intention to Annex Territory to North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California," a copy of which is attached hereto as Exhibit A, to the owner of the real property proposed to be annexed to North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California, according to the name and address of the owner as they appear on the last equalized assessment roll or as known to the undersigned, as listed below:

<u>Parcel No.</u>	<u>Name and Address of Property Owner</u>
201-0310-027-0000	Rosalie Meadows, et al 11705 Old Eureka Way Gold River, CA 95670

Executed at Sacramento, California, on March 31, 1999.

I declare the foregoing to be true under penalty of perjury.

CITY OF SACRAMENTO

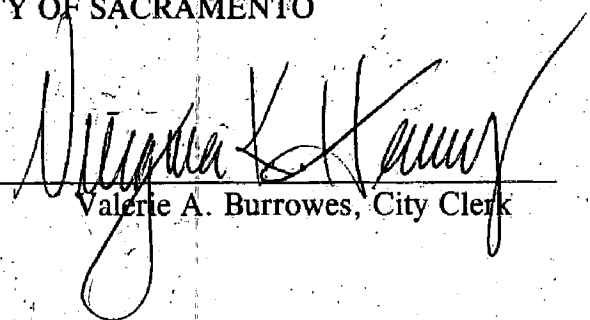
By 
Valerie A. Burrowes, City Clerk

EXHIBIT A

ATTACH A COPY OF THE
NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING
ON THE RESOLUTION OF INTENTION TO ANNEX TERRITORY
TO NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4,
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 99-143 (the "Resolution of Intention") on March 30, 1999, wherein the Council determined, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"), that the public convenience and necessity require that it commence proceedings to annex certain territory (the "Territory") to North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District"), and that for particulars as to the Territory proposed to be annexed to the Community Facilities District reference is hereby made to that certain map marked Exhibit A that is attached hereto and incorporated herein and made a part hereof, which map sets forth a description of the Territory.

NOTICE IS HEREBY FURTHER GIVEN that Thursday, the 6th day of May, 1999, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, at the City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council as the time and place for a public hearing to be held by the Council to consider the proposed annexation of the Territory to the Community Facilities District and the levying of special taxes of the Community Facilities District within the Territory and all other matters set forth in the Resolution of Intention. At such public hearing any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District and within the Territory, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the proposed annexation of the Territory to the Community Facilities District or the levying of special taxes of the Community Facilities District within the Territory or on any other matters set forth in the Resolution of Intention will be heard and considered. Any protests to the foregoing may be made orally or in writing by any such interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk of the City on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. Since there are no registered voters in the Community Facilities District or in the Territory, the Act provides that if the owners of one-half (1/2) or more of the area of land within the Community Facilities District that are not exempt from the special tax, or the owners of one-half (1/2) or more of the area of land within the Territory that are not exempt from the special tax, file written protests against the proposed annexation of the Territory to the Community Facilities District, and such protests are not withdrawn so as to reduce the value of the protests to less than a majority, then no further proceedings to annex the Territory to the Community Facilities District as proposed in the Resolution of Intention shall be taken for a period of one (1) year from the date of the decision by the Council on the issues discussed at

such public hearing. At the conclusion of such public hearing, the Council may abandon the proceedings to annex the Territory to the Community Facilities District or may, after passing upon all protests, determine to proceed to call an election to submit to the qualified electors of the Territory the question of annexing the Territory to the Community Facilities District and authorizing the levy of special taxes of the Community Facilities District within the Territory; and if the Council determines at the conclusion of such public hearing to call such an election, the voting procedure at such election shall be by landowners in the Territory voting in accordance with the Act.

NOTICE IS HEREBY FURTHER GIVEN that such public hearing may be continued from time to time, but shall be completed within thirty (30) days.

NOTICE IS HEREBY FURTHER GIVEN that a copy of the Resolution of Intention and the boundary map of the Territory are on file with the City Clerk of the City, Sacramento City Hall, 915 I Street, Sacramento, California 95814, and are available for review there during business hours by any interested persons.

DATED: April 16, 1999.

VALERIE A. BURROWES

City Clerk of the City of Sacramento

EXHIBIT A
ANNEXATION MAP NO. 1

