

RESOLUTION NO. 2018-0480

Adopted by the Sacramento City Council

December 11, 2018

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

Adopted by the City of Sacramento City Council on December 11, 2018, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy**
Digitally signed by Mindy Cuppy
Date: 2019.01.11 11:40:08
-08'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

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:

FILED IN THE OFFICE OF THE CLERK OF CITY OF SACRAMENTO, COUNTY OF
SACRAMENTO, STATE OF CALIFORNIA, THIS ____ DAY OF ____, 2018.

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.
PARCELS WITHIN BOUNDARY ARE
OF PARCELS. REFER TO SACRAMENTO COUNTY
ASSESSOR PARCEL MAP BOOKS SHOWING ALL
PARCELS WITHIN THE CITY OF SACRAMENTO.

SPECIAL DISTRICTS/Sacramento Services CFD 2018-05/Boundary Map.mxd BH Mueller 10/26/18

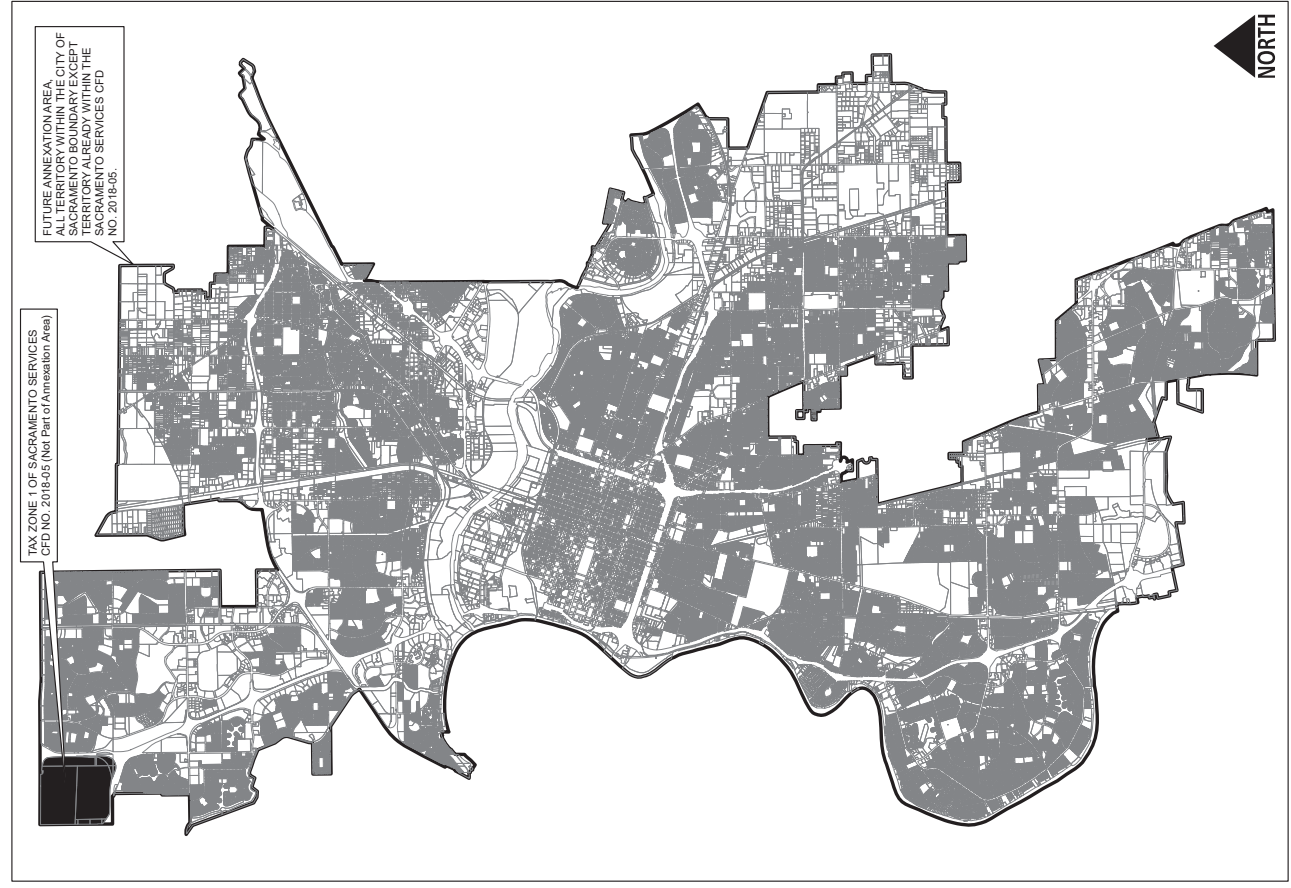


EXHIBIT B

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.

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

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, set forth at California Government Code § 53311 through 53368.3.

"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.

“Land Use Category” means, individually, Single Family Detached Property, Single Family Attached Property, Condominium Property, Multi-Family Residential Property, and Non-Residential Property.

“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,

then 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 1
Maximum Special Tax for Developed Property in Tax Zone 1

Land Use Category	Maximum Special Tax (Fiscal Year 2018-19)*
Single Family Detached Property	\$587 per Residential Unit
Single Family Attached Property	\$587 per Residential Unit
Condominium Property	\$587 per Residential Unit
Multi-Family Residential Property	\$329 per Residential Unit
Non-Residential Property	\$0.41 per Non-Residential Square Foot
Other Residential Property	\$6,184 per Acre

*** 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.

Land Use Category	Basis of Tax	Rate
Single Family Detached Property	per Residential Unit	\$
Single Family Attached Property	per Residential Unit	\$
Condominium Property	per Residential Unit	\$
Multi-Family Residential Property	per Residential Unit	\$
Non-Residential Property	per Non-Residential Square Foot	\$
Other Property	per Acre	\$
Final Map Property	per Acre	\$
Undeveloped Property	per Acre	\$

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.