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**DEPARTMENT OF
PUBLIC WORKS**

DEVELOPMENT SERVICES
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

Special Districts
1231 I Street, Room 300
Sacramento, CA 95814

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February 24, 2004

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ANNEXATION # 6 TO THE NEIGHBORHOOD PARK MAINTENANCE
COMMUNITY FACILITIES DISTRICT NO. 2002-02 – PUBLIC HEARING**

LOCATION AND COUNCIL DISTRICT:

The Neighborhood Parks Maintenance Community Facilities District (CFD) No. 2002-02 is located Citywide. Annexation No. 6 will include 11 separate areas located in Council Districts 1, 2, 3, 4, 5, 6 & 7 (see Attachment "A").

RECOMMENDATION:

This report recommends that City Council:

- Conduct the Public Hearing and adopt the attached resolution of Annexation that calls for a Special Election on April 7, 2004.

**CONTACT PERSONS: Ron Wicky, Program Specialist, 808-5628
Robert G. Overstreet, Parks & Recreation Director, 808-1190**

FOR COUNCIL MEETING OF: March 23, 2004

SUMMARY:

This report proposes the annexation of territory into the existing CFD to fund neighborhood park maintenance. The recommended Council action will call for a Special Election on April 7, 2004 (see Attachment "B").

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

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

- Parcel maps on 1113 Claire Avenue, 436 Exchange Street, 2201-6th Avenue, 3423-40th Street, 767 Shoreside Drive and 7648 Northland Drive.
- Subdivision Maps of Natomas Creek, 14th & C, Rock Creek, 66th Street and Ashley Oaks Haven.

The above projects comprise 557 units, bringing the total to 10,428 residential units.

FINANCIAL CONSIDERATIONS:

The Neighborhood Park Maintenance CFD has been structured to reduce reliance on the general fund for neighborhood park maintenance and to preserve the level of maintenance in the parks system.

It is projected that revenues from this CFD will provide approximately 65-70% of the cost associated with maintaining new neighborhood parks for those areas that annex to the District. The balance of costs will be borne by the Citywide Landscape and Lighting District and other City funds.

Existing parks, all community parks, regional parks, open space, trails and buffer areas are not covered by this CFD.

The maximum annual special tax rates levied on new residential properties for FY 2003/04 are \$48.77 per single-family parcel and \$28.45 per multi family unit. The special tax is subject to an annual escalation factor based on the Consumer Price Index, not to exceed 4%.

ENVIRONMENTAL CONSIDERATIONS:

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

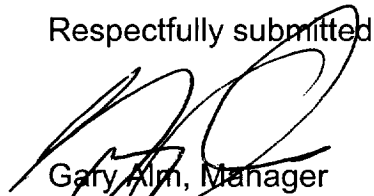
POLICY CONSIDERATIONS:

The procedures under which this CFD annexation is being initiated are set forth in Title 5 of the Government Code, Sections 53311-53317.5, entitled "The Mello-Roos Community Facilities Act of 1982." Annexation into Parks Maintenance District is consistent with the City's Strategic Plan in preserving and enhancing the City's neighborhoods and quality of life.

ESBD CONSIDERATIONS:

None. No goods or services are being purchased.

Respectfully submitted,



Gary Alm, Manager
Development Services

RECOMMENDATION APPROVED:

Approved:



WR
ROBERT P. THOMAS
City Manager



Betty Masuoka
Assistant City Manager

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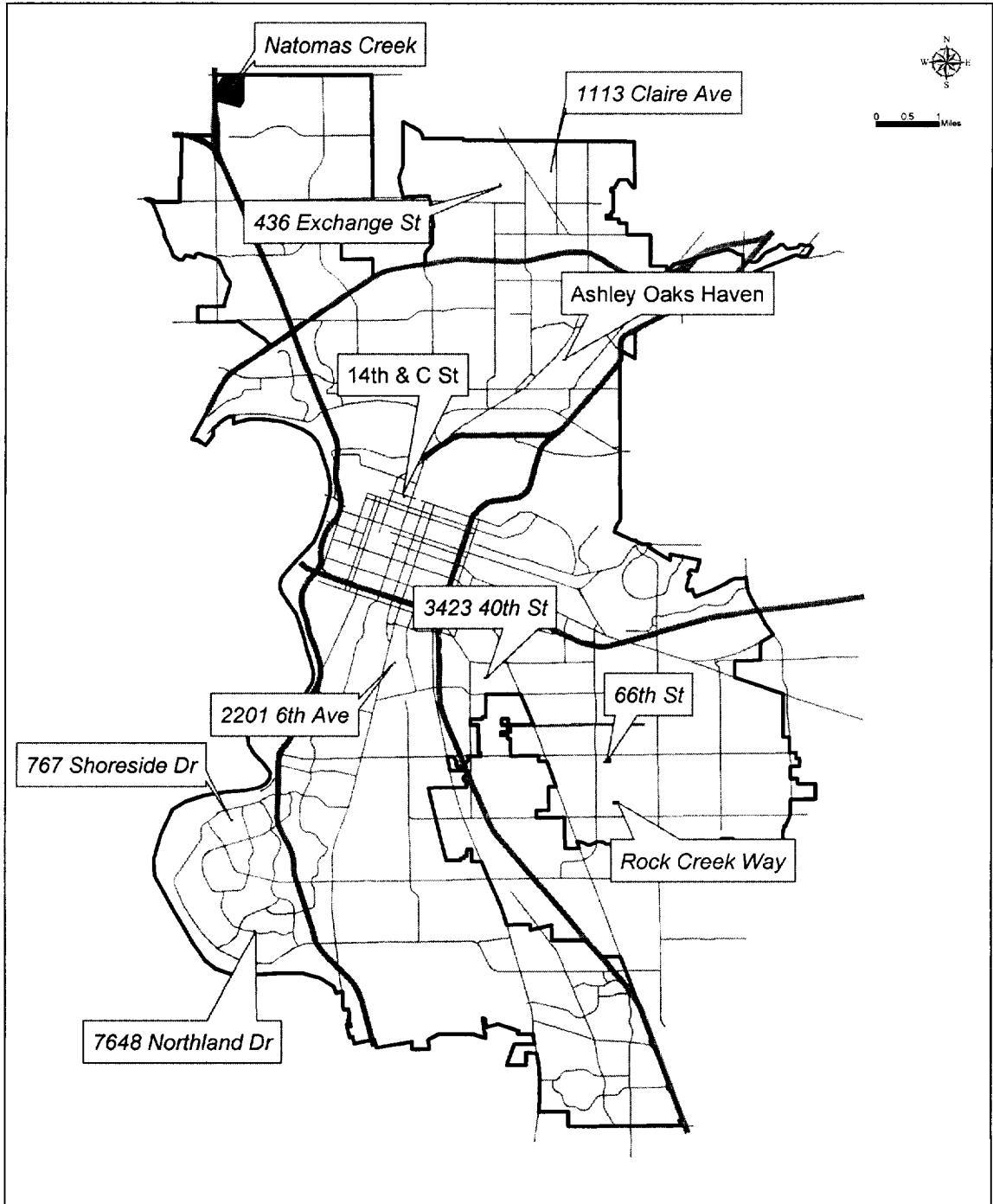
1. Attachment A, Neighborhood Park Maintenance CFD Annexation #6 Map, pg. 4
2. Attachment B, Schedule of Proceedings, pg. 5
3. Resolution of Intention – Annexation # 6 to the Neighborhood Parks Maintenance CFD, pg. 6
4. Exhibit A, List of Authorized Services, pg. 11
5. Exhibit B, Rate and Method Apportionment, pg. 12
6. Attachment 1 to Exhibit B, Maximum Annual Special Tax Rates, pg. 19
7. Exhibit C, Existing Area Map, pg. 20
8. Exhibit C-1, Area Map Legend, pg. 21

RW/dkl

ATTACHMENT A

Annexation #6 Neighborhood Park Maintenance CFD

Attachment A



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ATTACHMENT B

ANNEXATION #6 TO THE NEIGHBORHOOD PARKS MAINTENANCE COMMUNITY FACILITIES DISTRICT (CFD) NO. 2000-02 SCHEDULE

February 17, 2004 City Council – Resolution of Intention

February 18, 2004 Mail Notice of Hearing

March 23, 2004	City Council – Hearing, Call for Special Election
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March 24, 2004 Mail Ballots

April 7, 2004 Ballots Due

April 13, 2004 City Council - Election Results & Pass for Publication
Ordinance to Levy Tax

April 14, 2004 Record Notice of “Special Tax”

April 20, 2004 City Council - Adopt Ordinance to Levy Tax

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO
ANNEXING TERRITORY (ANNEXATION NO. 6) TO THE CITY OF SACRAMENTO
NEIGHBORHOOD PARKS MAINTENANCE COMMUNITY FACILITIES DISTRICT NO.
2002-02 AND PROVIDING FOR THE LEVY OF A SPECIAL TAX TO FINANCE
MAINTENANCE SERVICES TO BE PROVIDED IN AND FOR SUCH ANNEXATION
AND CALLING A SPECIAL ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS
WITHIN SUCH ANNEXATION THE QUESTION OF LEVYING SUCH SPECIAL TAX
AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR SUCH ANNEXATION TO
THE COMMUNITY FACILITIES DISTRICT**

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City") has heretofore established the City of Sacramento Neighborhood Parks Maintenance Community Facilities District No. 2002-02 ("Community Facilities District") 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"), to finance the maintenance and related services (the "Services") in and for the Community Facilities District under and pursuant to the Act (which are services that the City is authorized by law to provide and that are necessary to meet increased demands placed upon the City as a result of development occurring and anticipated to occur in the Community Facilities District), and which Services are generally described as specified in Exhibit A, attached hereto and incorporated herein by this reference. The cost of the Services includes incidental expenses for the Services, including the costs of planning the Services, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the determination of the amount of any taxes or the collection or payment of any taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to provision of the Services; and

WHEREAS, the Council has duly adopted Resolution No. 2004-096 (the "Resolution") on February 17, 2004, wherein the Council declared its intention to and proposed to annex territory to the Community Facilities District under and pursuant to the terms and provisions of the Act, to be known and designated as "Neighborhood Parks Maintenance Community Facilities District No. 2002-02, Annexation No. 6" ("Annexation No. 6"), to finance the Services in and for Annexation No. 6 to the Community Facilities District under and pursuant to the Act; and

WHEREAS, the Resolution fixed a time and place for a public hearing to be held by the Council to consider the establishment of Annexation No. 6 to the Community Facilities District, the proposed rate, method of apportionment and manner of collection of a special tax to finance the Services in and for Annexation No. 6 to the Community Facilities District

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and all other matters set forth in the Resolution; and

WHEREAS, a report on such proposal was prepared by the Director of Public Works of the City in accordance with the Resolution, which such report was submitted to the Council for review and has been reviewed by the Council, and which such report is incorporated herein and made a part of the record of the hearing hereinafter referred to on the Resolution; and

WHEREAS, pursuant to the Resolution, a public hearing was convened by the Council on Tuesday, March 23, 2004, at the hour of 2:00 o'clock p.m., at the regular meeting place of the Council, City Council Chambers, Sacramento Interim City Hall, 730 I Street, Sacramento, California 95814, at which hearing the Council considered the establishment of Annexation No. 6 to the Community Facilities District, the proposed rate, method of apportionment and manner of collection of such special tax, and all other matters set forth in the Resolution, and at such public hearing all persons interested, including all taxpayers, property owners and registered voters within the boundaries of Annexation No. 6 to the Community Facilities District, were given an opportunity to appear and be heard, and the testimony of all interested persons and all taxpayers, property owners and registered voters for or against the annexation to the Community Facilities District and the levy of such special tax, or the extent of the annexation to the Community Facilities District, or any of the Services proposed therefore, or on any other matters set forth in the Resolution, was heard and considered, and such special tax has not been precluded by a majority protest pursuant to Section 53339.6 of the Government Code of the State of California, and the Council at the conclusion of said hearing was fully advised in the premises, and was authorized to proceed as hereinafter provided; and

WHEREAS, on the basis of all of the foregoing, the Council has determined at this time to call an election in Annexation No. 6 to the Community Facilities District to authorize the levy of a special tax therein (as the rate, method of apportionment and manner of collection of such tax is more particularly set forth in Exhibit B, attached hereto and incorporated herein and made a part hereof) to pay for the Services proposed to be provided in and for Annexation No. 6 to the Community Facilities District, and to establish an appropriations limit for Annexation No. 6 to the Community Facilities District;

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 Council hereby approves and adopts the Resolution, and confirms all of its findings and determinations contained therein, and the rate, method of apportionment and manner of collection of the special tax in and for Annexation No. 6 to the Community Facilities District shall be as set forth in Exhibit B, attached hereto and incorporated herein and made a part hereof, and upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of the State of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in Annexation No. 6 to the Community Facilities District, which lien

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shall continue in force and effect until the collection of the special tax by the Council ceases and/or the lien is canceled in accordance with law.

Section 3. The Council finds and determines that written protests to the establishment of Annexation No. 6 to the Community Facilities District and the levy of such special tax, or the extent of Annexation No. 6 to the Community Facilities District, or any of the Services proposed therefore, are insufficient in number and in amount under the Act, and the Council hereby further orders and determines that all protests to the establishment of Annexation No. 6 to the Community Facilities District therefore, or the levy of the special tax proposed to be levied therein, or the extent of Annexation No. 6 to the Community Facilities District, or any of the Services therefore, or the establishment of an appropriations limit for Annexation No. 6 to the Community Facilities District, are hereby overruled.

Section 4. The Council finds and determines that all prior proceedings had and taken by the Council with respect to the establishment of Annexation No. 6 to the Community Facilities District are valid and in conformity with the requirements of the Act; and accordingly, the Council finds, determines and orders that, consistent with the Resolution, Annexation No. 6 to the Community Facilities District is hereby established under and pursuant to the terms and provisions of the Act, the boundaries of which are as set forth in Exhibit C, attached hereto and incorporated herein and made a part hereof.

Section 5. Except where funds are otherwise available, a special tax sufficient to pay for the Services, including the repayment of funds advanced by the City for Annexation No. 6 to the Community Facilities District and including the repayment under any agreement (which shall not constitute a debt or liability of the City) of advances of funds or the reimbursement for the lesser of the value or cost of work in-kind provided by any person for Annexation No.6 to the Community Facilities District, which tax shall be secured by recordation of a continuing lien against all nonexempt property in Annexation No. 6 to the Community Facilities District, will be levied annually within the boundaries of Annexation No. 6 to the Community Facilities District, and for particulars as to the rate, method of apportionment and manner of collection of such special tax reference is made to Exhibit B, attached hereto and incorporated herein and made a part hereof, which sets forth the rate, method of apportionment and manner of collection of such special tax in sufficient detail to allow each landowner or resident within Annexation No. 6 to the Community Facilities District to estimate the maximum amount that such person will have to pay for the Services.

Section 6. It is the intention of the Council, pursuant to Section 53317.3 of the Government Code of the State of California, to levy the special tax on property that is not otherwise exempt from the special tax and that is acquired by a public entity through a negotiated transaction, or by gift or devise.

Section 7. It is the intention of the Council, pursuant to Section 53317.5 of the Government Code of the State of California, to treat the special tax levied against property that is acquired by a public entity through eminent domain proceedings as if it were a special annual assessment.

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Section 8. It is the intention of the Council, pursuant to Section 53340.1 of the Government Code of the State of California, to levy the special tax on the leasehold or possessory interests in property owned by a public agency, which property is otherwise exempt from the special tax.

Section 9. A special election shall be and is hereby called and ordered to be held in the territory to be annexed, Annexation No. 6 to the Community Facilities District on Wednesday, April 7, 2004, in accordance with and subject to the Act and applicable law and the terms hereof, at which special election there shall be submitted to the landowners within Annexation No. 6 to the Community Facilities District (which landowners are the electors and persons qualified to vote at said special election) the question of levying such special tax and the establishment of an appropriations limit in the amount of \$30,000 per fiscal year in connection therewith for Annexation No. 6 to the Community Facilities District, as defined by Article XIII B, Section 8(h) of the Constitution of the State of California.

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

(a) Said special election shall be held and conducted, and the votes thereat canvassed and the returns thereof made, and the results thereof ascertained and determined, as provided herein; and in all particulars not prescribed by this resolution said special election shall be held and conducted and the votes received and canvassed in the manner provided by law for the holding of general elections in the City and consistent with the Act.

(b) All landowners within Annexation No. 6 to the Community Facilities District upon the date of the special election herein provided for shall be qualified to vote upon the proposition to be submitted at said special election.

(c) Said special election shall be conducted as a mailed ballot election, in accordance with the provisions of Sections 4000 et seq. and Section 4108 of the Elections Code of the State of California and the prior proceedings of the City taken thereunder, and there shall be no polling places for said special election. All ballots shall be delivered by the City Clerk of the City to such landowners, and all voted ballots are required to be received at the office of the City Clerk of the City not later than 5:00 o'clock p.m. on the day of the election in order to be counted, except that if all qualified electors have voted on the proposition hereby submitted, the election shall be closed.

(d) Each voter to vote for the proposition to be submitted at said special election and for levying such special tax and establishing such appropriations limit shall mark a cross (+) in the blank space opposite the word "YES" on the ballot to the right of said proposition, and to vote against said proposition and against levying such special tax and establishing such appropriations limit shall mark a cross (+) in the blank space opposite the word "NO" on the ballot to the right of said proposition, which cross (+) may be marked with either pen or pencil.

(e) The City Clerk of the City shall commence the canvass of the returns

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of said special election at 5:00 p.m. on Wednesday, April 7, 2004, at the office of the City Clerk of the City, City Council Chambers, Sacramento City Hall, 730 I Street, Sacramento, California 95814, and at the conclusion thereof shall determine the results of said special election; provided, that if all the qualified voters have voted prior to such date and time, the City Clerk of the City shall close said special election and thereupon shall proceed to canvass the returns of said special election and to determine the results thereof.

(f) The Council shall meet at its regular meeting on Tuesday, April 13, 2004, at 2:00 p.m. at its usual meeting place and declare the results of said special election, and shall cause to be spread upon its minutes a statement of the results of said special election as ascertained by said canvass.

Section 11. If two-thirds (2/3) of the votes cast upon the question of levying such special tax and establishing such appropriations limit are cast in favor of levying such special tax and establishing such appropriations limit, as determined by the Council after reviewing the canvass of the returns of such consolidated election, the Council may levy such special tax within the territory of Annexation No. 6 to the Community Facilities District under the Act in the amount and for the purposes specified in this resolution, and such appropriations limit shall be established for Annexation No. 6 to the Community Facilities District, as defined by Article XIII B, Section 8(h) of the Constitution of the State of California. Such special tax may be levied only at the rate and may be apportioned only in the manner specified in this resolution, subject to the Act, except that such special tax may be levied at a rate lower than that specified herein. Such special tax may be levied only so long as it is needed to pay for the Services referred to in Section 6 of this resolution (including the repayment of funds advanced for Annexation No. 6 to the Community Facilities District).

Section 12. The Program Specialist, Special Districts, Department of Public Works of the City, City of Sacramento, 1231 I Street, Sacramento, California 95814 (telephone 916/808-7113) will be responsible for preparing annually a current roll of special tax levy obligations by Sacramento County Assessor's parcel numbers, and will be responsible for estimating future special tax levies pursuant to Section 53340.1 of the Government Code of the State of California.

AYES:
NOES:
ABSENT:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

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Exhibit A

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

LIST OF AUTHORIZED SERVICES

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

1. The maintenance of landscaping, recreation facilities, irrigation facilities, lighting, necessary maintenance equipment, and other appurtenances and improvements within neighborhood parks (including those areas designated as neighborhood serving in conjunctive use park land within drainage detention basins, community, parks, regional parks and parkway systems.)
2. CFD formation and annual administration of the District
3. Other miscellaneous services related to items 1 or 2, including planning, engineering, legal, elections, and administration.

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Exhibit B

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

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 Neighborhood Park Maintenance Community Facilities District No. 2002-02 (the "CFD") of the City of Sacramento (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or estimated costs incurred by the City to form the CFD and to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports; and any other costs required to administer the CFD as determined by the City.

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

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

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

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

"Base Fiscal Year" means the Fiscal Year beginning July 1, 2002 and ending

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June 30, 2003.

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

“**City**” means City of Sacramento, California.

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

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

“**County**” means the County of Sacramento, California.

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

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

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

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

“**Maximum Annual Special Tax**” means the greatest amount of Special Tax that can be levied against a Parcel calculated by multiplying the Maximum Annual Special Tax Rate times the Residential Units assigned to each Developed Parcel.

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

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

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

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

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

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

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

“Parcel Number” means the Assessor's Parcel Number for any Parcel based on the equalized tax rolls of the County as of March 1 of each Fiscal Year.

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

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

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

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assigned one Residential Unit.

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

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

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

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

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

“Undeveloped Parcel” means a Parcel that is not a Developed Parcel or a Non-Residential Use Parcel.

3. Duration of the Special Tax

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

4. Assignment of Maximum Annual Special Tax

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

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

B. Assignment of Maximum Annual Special Tax.

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

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- 1) **Developed Parcels:** Parcels shall be assigned a Maximum Annual Special Tax using the following steps. The Maximum Annual Special Tax Rate is increased by the Tax Escalation Factor in each Fiscal Year after the Base Fiscal Year.
 - a. **Single Family Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Single Family Residential Parcels by the number of Residential Units assigned to the Parcel.
 - b. **Duplex/Half-Plex/Tri-plex Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Duplex/Half-Plex/Tri-plex Residential Parcels by the number of Residential Units assigned to the Parcel.
 - c. **Multi-Family Residential Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Multi-Family Residential Parcels by the number of Residential Units assigned to the Parcel.
 - d. **Condominium/Townhouse Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Condominium/Townhouse Parcels by the number of Residential Units assigned to the Parcel.
 - e. **Mixed Use Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Mixed Use Parcels by the number of Residential Units assigned to the Parcel.
 - f. **Mobile Home Park Parcels.** The Maximum Annual Special Tax is calculated by multiplying the Maximum Annual Special Tax Rate in **Attachment 1** for Mobile Home Park Parcels by the number of Residential Units assigned to the Parcel.

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

- 3) **Conversion of a Tax-Exempt Parcel to a Taxable Parcel:** If a Public Parcel is not needed for public use and is converted to private residential use, it shall

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become subject to the Special Tax. A Maximum Annual Special Tax Rate will be assigned using the Definitions in **Section 2** and **Attachment 1** (applying the Tax Escalation Factor as permitted) and calculate the Maximum Annual Special Tax following the steps in **Section 4.B(1)**.

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

5. Calculating Annual Special Taxes

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

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

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

6. Records Maintained for the CFD

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

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

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

7. Appeals and Interpretation Procedure

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

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designee, shall promptly review the appeal, and if necessary, meet with the appellant.

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

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

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**Attachment 1
City of Sacramento CFD No.
(Neighborhood Park
Maximum Annual Special Tax Rates - Base Fiscal Year [1])**

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

"Attachment 1"

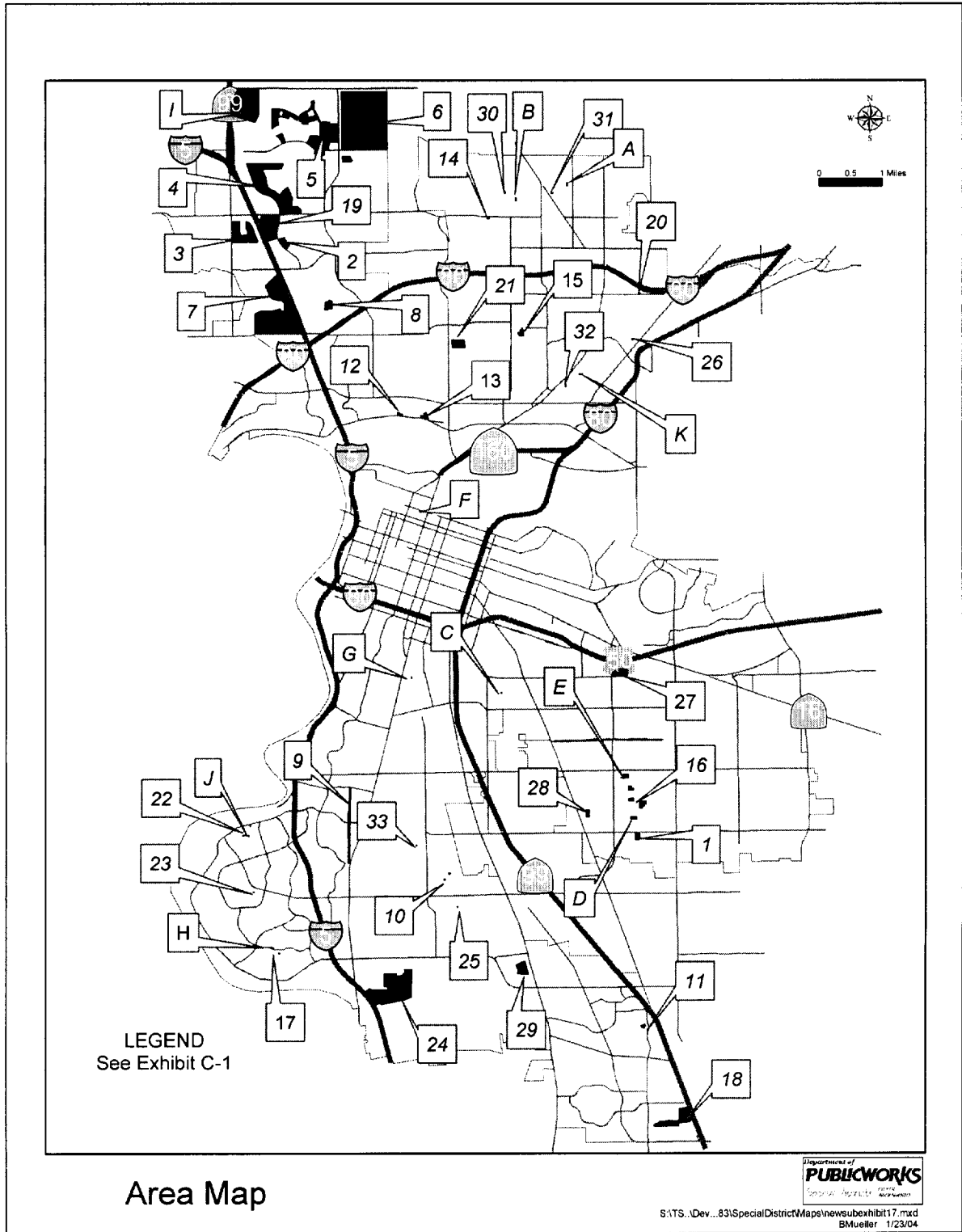
- [1] The Base Fiscal Year for the CFD is Fiscal Year 2002-2003. The Maximum Annual Special Tax Rate will be escalated by the Tax Escalation Factor, not to exceed 4 percent annually thereafter, as determined by the Consumer Price Index.
- [2] The Maximum Annual Special Tax Rate is applied to the Residential Units assigned to each Taxable Parcel. Condominium/Townhouse Residential Parcels and Single Family Residential Parcels are assumed to have one Unit. Multi-Family Residential Parcels, Mixed Use Parcels, and Mobile Home Park Parcels may have more than one Unit assigned to a Parcel. The number of Residential Units assigned to these Parcels will be determined by the final subdivision map, initial building permit, or subsequent building permits for tenant improvements.
- [3] Developed Parcels are residential or mixed use Parcels with a building permit for residential use.
- [4] Non-Residential Use Parcels are commercial, industrial, office, and other non-residential uses.
- [5] Undeveloped Parcels are Parcels that are not classified as a Developed Parcel or Non-Residential Use Parcel.

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EXHIBIT C



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EXHIBIT C-1

Neighborhood Park Maintenance CFD No. 2002-02 Area Map Legend

Existing Boundaries

1. Elder Creek Park Unit #2
2. Calif. Traditions Apartments
3. Cambay West
4. Creekside
5. North Natomas Estates, The Meadows,
Northborough II & Heritage
6. Regency Park
7. Parkview
8. Natomas Crossing 20
9. East Land Park Village
10. Vasquez lot split & 2732 Wah Ave. PM
11. Regency Place Unit #5
12. Azuza St. Parcel Map
13. Morell Estates
14. 220 Main Ave. Parcel Map
15. Del Paso Nuevo Unit #3
16. Bellview Estates, 71st St. Estates &
Country Lane Estates
17. Terry Parcel Map &
Still Breeze Drive (Yeh & Lai PM)
18. Laguna Vista & Laguna Vega
19. Natomas Crossing III
20. Dayton Street
21. Garden Oaks
22. 783 & 795 Shoreside Drive &
Del Ponte PM (Riverside Blvd)
23. NR Homes (EIMacero Wy)
24. Meadowview Estates, Beth Estates &
Meadowview Estates North
Steamboat Bend
25. 29th Street & 65th Avenue
26. Fitton PM (Craigmont St.)
27. Jefferson Commons
28. Lemon Hill
29. Sunmeadow Retirement Community

Existing Boundaries

30. 309 Pinedale Ave. PM
31. 5100 Ada Ln PM
32. Glenrose Ave. PM
33. 2300 Thompson Way

Proposed Annexation #6 Boundaries

- A. 1113 Claire Ave
- B. 436 Exchange
- C. 3423 – 40th Street
- D. Rock Creek
- E. 66th Street
- F. 14th & C
- G. 2201 – 6th St.
- H. 7648 Northland Dr.
- I. Natomas Creek
- J. 767 Shoreside
- K. Ashley Oaks Haven

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