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DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

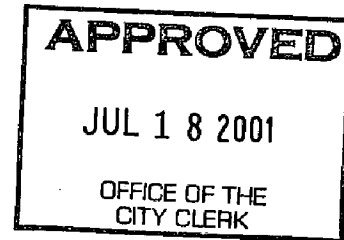
SPECIAL DISTRICTS  
1231 I STREET, ROOM 300  
SACRAMENTO, CA 95814

DEVELOPMENT  
SERVICES DIVISION

PH 916-264-7474  
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June 26, 2001

City Council  
Sacramento, California



Honorable Members in Session:

**SUBJECT: ANNEXATION #3 TO THE NORTH NATOMAS NEIGHBORHOOD  
LANDSCAPING COMMUNITY FACILITIES DISTRICT (CFD) NO. 99-02 -  
INITIATE PROCEEDINGS**

**LOCATION AND COUNCIL DISTRICT:** Annexation #3 to the North Natomas  
Neighborhood Landscaping CFD No. 99-02 is located in the North Natomas Community  
Plan area in Council District 1 (see attached map).

**RECOMMENDATION:**

This report recommends that the City Council adopt a Resolution of Intention to levy a  
special tax and set a hearing date for August 21, 2001.

**CONTACT PERSON:** Ron Wicky, Special Districts Analyst, 264-5628

**FOR COUNCIL MEETING:** July 18, 2001.

**SUMMARY:**

This report presents a proposal to annex territory into the existing CFD to fund future  
landscaping needs in the North Natomas area. Adoption of the attached resolution will  
set a hearing date for August 21, 2001.

Department of  
**PUBLICWORKS**  
CITY OF  
SACRAMENTO

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

On June 29, 1999, City Council approved formation of the North Natomas Neighborhood Landscaping CFD. Formation of the district provided a funding mechanism to maintain the landscaped areas adjacent to residential subdivisions for the tentative map areas of Northborough No. 1, Parkway Plaza, Northpoint Park, Gateway North and Natomas Crossing. Since then, tentative map areas of Westborough and Riverview have been annexed. The CFD established separate zones for each tentative map or combination of tentative maps where similar landscaping was present. It also required that as other tentative maps are approved in the North Natomas area, they will be required to annex to this CFD.

This proposed annexation will annex the tentative map area of Cambray West (See Exhibit A of the attached Resolution).

**FINANCIAL CONSIDERATIONS:**

The current maximum tax rate will be (forty dollars) \$80 for this zone. Only "developed residential parcels" will be subject to the CFD tax. A "developed residential parcel" has been defined as a parcel that has a recorded final map for residential uses and the City has formally accepted the landscaping improvements. All costs associated with this CFD shall be paid for by the property owners and there will be no cost to the City.

**ENVIRONMENTAL CONSIDERATIONS:**

Council action in initiating this CFD is exempt from CEQA because it will cause no physical effects on the environment. Improvement projects will be subject to an environmental review process as part of development applications.

**POLICY CONSIDERATIONS:**

The procedures under which this CFD 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."

City Council  
Annexation #3 to the North Natomas Neighborhood Landscaping CFD no. 99-02  
June 26, 2001

**ESBD CONSIDERATIONS:**

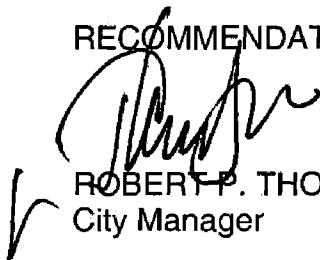
City council adoption of the attached resolution is not affected by city policy related to ESBD.

Respectfully submitted,



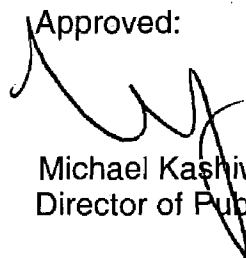
Gary Alm, Manager  
Development Services

RECOMMENDATION APPROVED:



ROBERT P. THOMAS  
City Manager

Approved:

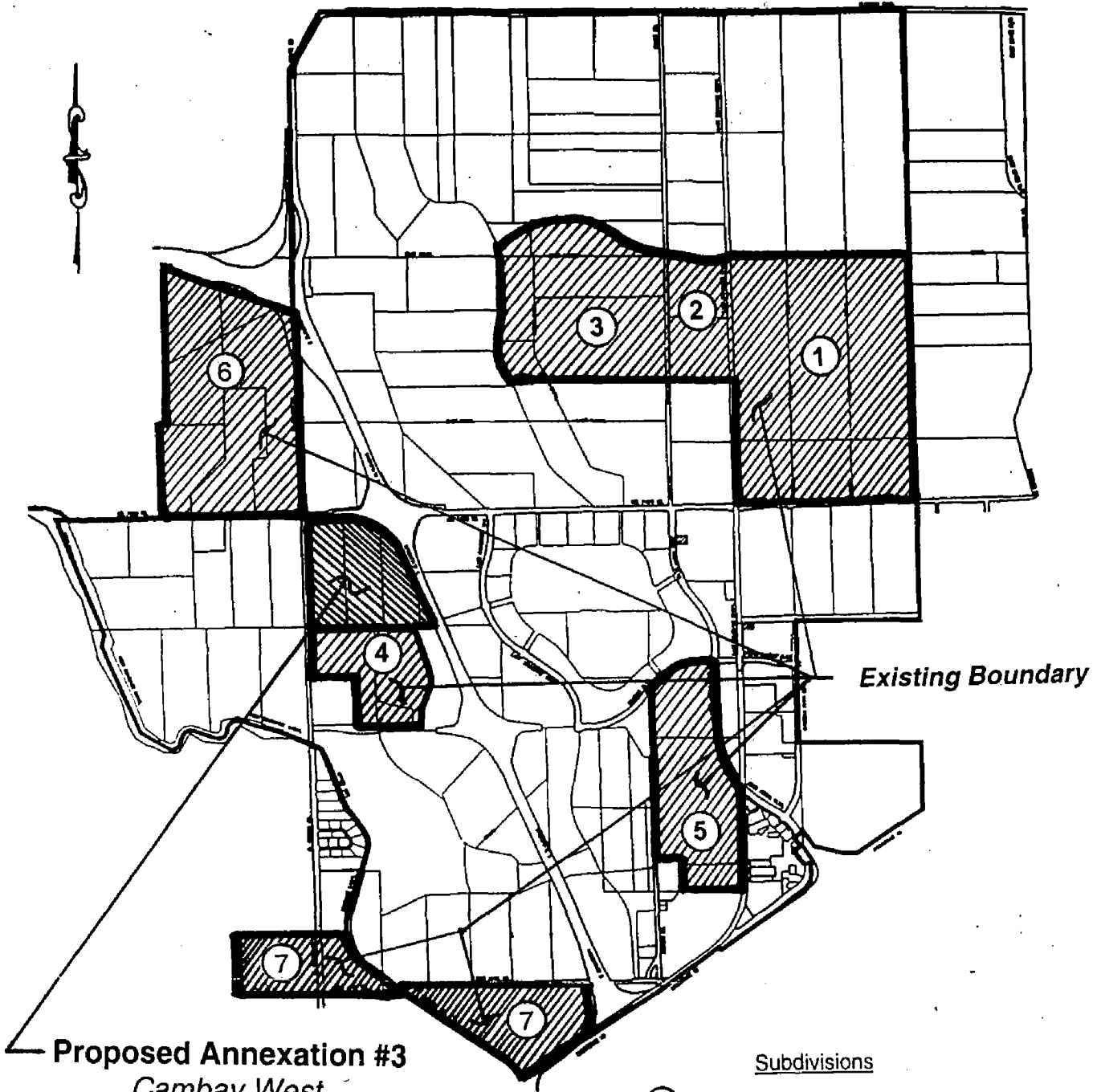


Michael Kashiwagi  
Director of Public Works

EXHIBIT A

NORTH NATOMAS NEIGHBORHOOD LANDSCAPING  
COMMUNITY FACILITIES DISTRICT #99-02

AREA OF SERVICES



Existing Boundary

Proposed Annexation #3  
Cambay West

- Subdivisions
- ① = Northpoint
  - ② = Parkway Plaza
  - ③ = Northborough (Phase 1)
  - ④ = Gateway North
  - ⑤ = Natomas Crossing
  - ⑥ = Westborough
  - ⑦ = Riverview

**Exhibit B**

**ANNEXATION #3 TO THE NORTH NATOMAS NEIGHBORHOOD  
LANDSCAPING CFD NO 99-02  
SCHEDULE**

**July 18, 2001      City Council Resolution of Intention**

July 19, 2001      Mail Notice of Hearing, Call for Special Election

August 21, 2001      City Council Hearing

August 22, 2001      Mail Ballots (Waiver of 90-day period)

August 28, 2001      Ballots Due

Sept. 11, 2001      City Council Election Results

Sept. 11, 2001      City Council Pass for Publication Ordinance to Levy Tax

Sept. 12, 2001      Record Notice of Special Tax

Sept. 18, 2001      City Council Adopt Ordinance to Levy Tax

**APPROVED**

JUL 18 2001

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 2001-483**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**A RESOLUTION OF THE CITY OF SACRAMENTO  
DECLARING ITS INTENTION TO ANNEX TERRITORY TO THE  
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING  
COMMUNITY FACILITIES DISTRICT NO. 99-02,  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,  
STATE OF CALIFORNIA, AND TO LEVY A SPECIAL  
TAX THEREIN TO FINANCE MAINTENANCE SERVICES  
TO BE PROVIDED WITHIN SAID DISTRICT  
(ANNEXATION NO. 3)**

**WHEREAS:**

A. The City Council (the "Council") of the City of Sacramento (the "City") has heretofore established the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02 ("District") pursuant to provisions of the Mello-Roos Community Facilities Act of 1982 ("Act"), and has heretofore levied a special tax therein to pay for maintenance and related services to be provided within the District, under and pursuant to the provisions of Title 3.124 of the Sacramento City Code and the Act.

B. The Council has determined that the establishment of the District is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Council and are now in effect.

C. 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. It is the intention of the Council and the Council hereby proposes to annex territory to the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, ("District") under the terms of the Mello-Roos Community Facilities Act

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

of 1982 (Section 53311 et seq. of the California Government Code, hereafter "Act"). The boundaries of the territory proposed for inclusion in the District are shown on the map entitled "Area Map" attached hereto as Exhibit D. Exhibit D also shows the territory included in the existing District. A map showing the proposed territory to be annexed ("Boundary Map") is on file in the office of the City Clerk, is in the form required by Section 3110 of the Streets and Highways Code, and is hereby approved. The City Clerk is directed to file a copy of the Boundary Map with the County Recorder of the County of Sacramento within fifteen (15) days hereafter for placement in the Book of Maps of Assessment and Community Facilities Districts, in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

Section 3. The name of the proposed annexation to the District is "North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, Annexation No. 3."

Section 4. The District was formed solely for maintenance services and related purposes, and will not finance capital improvements or issue bonds. The services to be financed by the District are set forth in Exhibit A, attached hereto and incorporated herein by this reference, all of which are as authorized by the Act and by Title 3.124 of the Sacramento City Code. The District shall also finance all costs and expenses normally incidental to the provision of the maintenance and related services, including without limitation election costs; design fees and costs; contract supervision; and City administrative and legal costs.

Section 5. Except where funds are otherwise available, a special tax sufficient to pay for said maintenance and related services, secured by recordation of a continuing lien against all nonexempt real property in the District, will be levied annually within the District. Pursuant to Title 3.124 of the Sacramento City Code, certain City-owned property within the District will be subjected to the lien of the special tax. The tax is to be collected as a separately-stated item on the county property tax bill, but the City Council reserves the right to change the method of collection at any time. The special tax shall be apportioned according to the use and state of development of the land, at the per annum tax rates specified in Exhibit B, attached hereto and incorporated herein by this reference, the Rate and Method of Apportionment of Special Tax. The rates shown are maximum rates. The maximum special tax rate for the proposed annexation is specified in Exhibit C, attached hereto and incorporated herein by this reference. The special tax levied on all parcels may be increased prorata, but not more than ten percent (10%), on account of the default or delinquency of the owner of any parcel. The rates may also be escalated for inflation pursuant to Title 3.124 of the Sacramento City Code, as specified in Exhibit B. If tax collections at the stated rates exceed the amount required to pay the Annual Costs, the rates may be reduced in accordance with the formulae set forth in Exhibit B. The special tax levied and to be collected hereunder shall be in perpetuity, unless and until the need for the maintenance and related services no longer exists.

Section 6. It is the intention of the Council, pursuant to Section 53317.3 of the Act, to continue to levy the special tax on property (that is not otherwise exempt from the special tax) that is acquired by a public entity through a negotiated transaction, by gift or devise.

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

Section 8. It is the intention of the Council, pursuant to Section 53340.1 of the Act, 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), to be payable by the owner of the leasehold or possessory interests in such property.

Section 9. It is the intention of the Council, pursuant to Section 53325.7 of the Act, to establish an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District.

Section 10. Notice is given that the City Council hereby fixes 2:00 p.m. on August 21, 2001, in the chambers of the City Council, City Hall, 915 I Street, Sacramento, California 95814 as the time and place for a public hearing on the proposed annexation to the District, and the proposed levy of special taxes, and all other matters as set forth in this resolution. At such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the District and the levy of the special tax, or the extent of the District, or the maintenance and related services to be provided, or any other matters set forth herein, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, except that protests pertaining to the regularity or sufficiency of 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. If, at the conclusion of the hearing, the City Council determines to proceed with the establishment of the District, the levy of special taxes will be submitted to the electors of the District in an election pursuant to Section 53326 of the Act, to be held not less than ninety (90) days thereafter, unless appropriate waivers pursuant to said Section have been filed with the City Clerk. The special tax may be levied if two-thirds of those voting approve the measure.

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DATE ADOPTED: \_\_\_\_\_

Section 11. In the opinion of the Council, the public interest will not be served by allowing the property owners in the District to enter into a contract pursuant to Section 53329.5(a) of the Act, to perform the maintenance and related services to be financed under Title 81 of the City Code and the Act.

Section 12. The City Council directs Michael Kashiwagi, Director of Public Works of the City of Sacramento, to prepare the report required by Section 53321.5 of the Government Code and to file the report with the City Council at or before the time of the hearing.

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

(a) A notice of public hearing in the form required by the Act shall be published in the Daily Recorder, a newspaper of general circulation published in the area of the District, which such publication shall be made pursuant to Section 6061 of the California Government Code and shall be completed at least seven (7) days prior to the date set for such public hearing; and

(b) A notice of public hearing in the form required by the Act shall be mailed, first class postage prepaid, to each property owner and to each registered voter within the boundaries of the District, which such mailing to such property owners shall be made to such property owners at their addresses as shown on the records of the Sacramento County Treasurer-Tax Collector, and which such mailing to such registered voters shall be made to such registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters, or in either case as otherwise known to the City Clerk of the City, and which such mailing shall be completed at least fifteen (15) days

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prior to the date set for such public hearing. The notice of hearing shall include a description of the voting procedures in accordance with Government Code Section 53322(b)(4).

ATTEST:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

# Exhibit A

## North Natomas Neighborhood Landscaping CFD No. 99-02 List of Authorized Services

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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 CFD is to fund the maintenance of neighborhood landscape areas for subdivisions. The CFD will also serve as a backup funding source for homeowners associations that fail to provide adequate landscaping or drainage maintenance, in the areas where they have been required to provide such maintenance services, as determined by the City.

The CFD's authorized services include the following:

1. The repair and maintenance of landscaping, irrigation facilities, lighting, soundwalls, monuments and signs, and other appurtenances within and along public rights-of-way.
2. Costs of scheduled inspection of maintenance of landscaped areas.
3. Maintenance services as required to implement a Lake Management Plan within a residential subdivision.
4. Utility bills associated with maintenance of landscaped areas.
5. CFD formation and annual administration costs.
6. Miscellaneous cost related to any of the items described above including planning, engineering, legal, and administration.

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

# Exhibit B

City of Sacramento, California  
North Natomas Neighborhood Landscaping  
Community Facilities District No. 99-02

## RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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### 1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the North Natomas Community Facilities District No. 99-02 (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 Landscape Maintenance Services 2) Authorized Drainage Maintenance Services, 3) 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, as listed in the Resolution forming CFD 99-02.

"Base Drainage Maintenance Services Maximum Tax" means the maximum special tax that can be levied for drainage maintenance services for any new Tax Zone created through annexation of a residential subdivision.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 1999 and ending June 30, 2000.

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**"Base Landscape Maintenance Services Maximum Tax"** means the maximum special tax that can be levied for landscape maintenance services for any new Tax Zone created through annexation of a residential subdivision.

**"CFD"** means the North Natomas Neighborhood Landscape Services Community Facilities District No. 99-02 of the City of Sacramento, California.

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

**"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 Residential Parcel"** means a residential Parcel, which has a recorded final small lot map for residential uses permitting up to 2 units per lot.

**"Drainage Maintenance Services Tax"** means the portion of the maximum special tax that is levied on a Taxable Parcel to fund drainage maintenance and associated costs. Residential parcels in certain subdivisions are required by the City to provide a backup funding source for the maintenance of drainage facilities in the event that the homeowners association fails to provide adequate drainage maintenance. This portion of the special tax is only levied if the City has determined that the subdivision homeowners association has failed to adequately provide the required drainage maintenance service.

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

**"Landscape Maintenance Services Tax"** means the portion of the Maximum Annual Special Tax that is levied on a Taxable Parcel to fund landscape maintenance and associated costs. The tax is levied on Parcels that do not have maintenance of landscaping provided by homeowners associations. However, the tax may also be used as a backup tax in the event that a homeowners association fails to adequately provide landscape maintenance and the City has to take over provision of services.

**"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 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 and landscape intensity.

**"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.

**"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 any Parcel, in its entirety, that is or is intended to be publicly owned in the North Natomas Community Plan as adopted by the City--or as subsequently 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.

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

**"Subdivision"** means a division of a Parcel into a set of Successor Parcels through the Subdivision Map Act process.

**"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 classified as a Developed Residential Parcel or Undeveloped 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%.

**"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); and (ii) all other parcels not defined as Developed Residential Parcels or Undeveloped Parcels.

**"Tax Zone"** describes one or more subdivisions with similar landscaping maintenance features and annual maintenance costs that are grouped together as a Tax Zone. Each subdivision included in the CFD at formation is assigned a Tax Zone. As a subdivision is annexed into the CFD, it may either be annexed into an existing Tax Zone or be assigned a new Tax Zone. Tax Zones will be labeled in alphabetical sequence as new Tax Zones are created.

**"Undeveloped Land Tax"** means the maximum special tax that can be levied for landscape maintenance services for an Undeveloped Parcel.

**"Undeveloped Parcel"** means remaining land in subdivision designated for single family residential land uses permitting up to 2 units per lot in the tentative map.

### 3. Duration of the Special Tax

Parcels in the CFD will remain subject to the special 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 cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel.
2. Each Taxable Parcel to be further categorized by Tax Zone. The Tax Zone assigned to a Parcel is based on the same Tax Zone assigned to the Taxable Parcel's subdivision.
3. Each Taxable Parcel to be classified as to whether or not it is subject to the Landscape Maintenance Services Tax.
4. Each Taxable Parcel to be further classified as to whether or not it is subject to the Drainage Maintenance Services Tax.
5. Each Taxable Parcel to be further classified as to whether or not it is subject to the Undeveloped Land Tax.

B. Assignment of Maximum Annual Special Tax.

Attachment 1 shows the Base Year Maximum Special Tax rates. Each Fiscal Year following the Base Year, the Maximum Special Tax rates shall be increased in accordance with the Tax Escalation Factor.

C. Annexation Parcels. Subdivisions annexing into the CFD shall have their Maximum Special Tax Rate and Tax Zone assigned at the time of annexation.

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and/or is converted to Developed Residential Parcel, 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. Conversely, if a privately owned parcel is converted to a public use, it shall become Tax-Exempt.

### 5. Calculating Annual Special Taxes

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

A. Compute the Annual Cost using the definition in Section 2 for the Fiscal Year. The City will allocate the Annual Costs for landscape maintenance and drainage maintenance for each Tax Zone. All administrative costs or other costs not related to the provision of landscape maintenance or drainage maintenance shall be allocated based on each Tax

Zone's percentage of the total landscape maintenance costs and drainage maintenance costs.

B. For each Tax Zone, calculate the Landscape Maintenance Service Tax for each Developed Parcel necessary to fund the allocated landscape maintenance cost and administration cost by the following:

- Calculate the Maximum Annual Special Tax Revenues for the landscape maintenance portion of the Special Tax by setting the tax rate for each Developed Parcel at 100% of its Maximum Annual Special Tax shown in Attachment 1. If revenues are greater than the Annual Cost allocated to the Tax Zone for landscape maintenance and administration cost, the tax is reduced proportionately until the special tax is set at an amount sufficient to cover the allocated Annual Cost.
- If revenues from taxing Developed Parcels at 100% of the Maximum Annual Special Tax is not sufficient to fund allocated Annual Cost, levy the Undeveloped Land Tax up to 100% of its Maximum Annual Special Tax shown in Attachment 1, or until total special tax revenues equal Annual Cost.

C. For each Tax Zone, calculate the Drainage Maintenance Services Tax for each Taxable Parcel necessary to fund the allocated drainage maintenance costs by the following:

- Calculate the Maximum Annual Special Tax Revenues for the drainage maintenance portion of the Special Tax by setting the tax rate for each Taxable Parcel subject the drainage maintenance portion of the Special Tax at 100% of its Maximum Annual Special Tax shown in Attachment 1. If revenues are greater than the Annual Cost allocated to the Tax Zone for drainage maintenance, the tax rate is reduced proportionately until the tax levy is set at an amount sufficient to cover the allocated Annual Cost.

D. Sum the Landscape Maintenance Services Tax and the Drainage Maintenance Services Tax calculated above to determine the Special Tax Levy for each Taxable Parcel in each Tax Zone.

E. 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.

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

## 6. 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 current Parcel Number;
- The Parcel acreage;
- Number of residential units per parcel; and
- Tax Zone for the Parcel.

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

## 7. 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.

## 8. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes; provided; however, the City or its designee may directly bill the Special tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary to meet its financial obligation.

**EXHIBIT C**

**Figure D-1  
City of Sacramento CFD No. 99-02  
Maximum Special Tax Rates for Base Year 1999-2000 [1]**

| Tax Zone [1]                             | Subdivision Special Taxes [2]   | FY 1999-2000 Base Year Maximum Special Tax Rate [3], [4] | Developed Residential Parcels Special Tax Calculated Per            |
|--|---|--|---|
| <b><u>Tax Zones at CFD Formation</u></b> |   |  |   |
| <b>A</b>                                 | <b>Natomas Park</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]  | \$35<br>\$0<br>\$0                                       | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
| <b>B</b>                                 | <b>Natomas Crossing</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]  | \$45<br>\$0<br>\$0                                       | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
| <b>C</b>                                 | <b>Gateway West</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax - Gateway West North<br>Drainage Maintenance Services Tax - other subdivisions<br>Undeveloped Land Tax [5] | \$60<br>\$150<br>\$0<br>\$0                              | Authorized Unit<br>Authorized Unit<br>Authorized Unit<br>Gross Acre |
| <b><u>Future Annexations</u></b>         |   |  |   |
| <b>E</b>                                 | <b>Annexation No. 3 Cambay West [6]</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]  | \$80<br>\$0<br>\$0                                       | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
| <b>A</b>                                 | <b>Annexation No. 2 River View</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]   | \$35<br>\$0<br>\$0                                       | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
| <b>D</b>                                 | <b>Annexation No. 1 Westlake [7]</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]   | \$70<br>\$40<br>\$0                                      | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
|  | <b>Base Landscape Maintenance Services Maximum Tax</b>  | <b>\$100</b>   | Authorized Unit   |
|  | <b>Base Drainage Maintenance Services Maximum Tax</b>   | <b>\$200</b>   | Authorized Unit   |
|  | <b>Undeveloped Land Tax [5]</b>   | <b>\$310</b>   | Gross Acre  |

"a1"

- [1] Any new Tax Zone that is created will be labeled with an alphabetical letter. The new letter will follow sequence from the existing Tax Zone letters.
- [2] At time of District Formation, three project areas were identified with varying annual maintenance costs. Annexing subdivisions will either be added to an existing Tax Zone, or a new Tax Zone will be created. In no case may a new Tax Zone have a Maximum Annual Special Tax for Landscaping or Drainage Maintenance greater than the Base Maximum Annual Special Taxes (as may be adjusted by the Tax Escalation Factor) shown in the above table.
- [3] If landscape maintenance or drainage services are provided by a Homeowners Association, the maximum special tax rate for those parcels will be set to \$0.
- [4] Following the Base Year 1999-2000 for Tax Zones A, B, and C, and Base Year 2000-2001 for Tax Zone D, the Maximum Special Tax Rates will increase annually based upon the Consumer Price Index (CPI) (prior year annual average), San Francisco, All Urban Consumers (CPI-U), not to exceed 4%.
- [5] The undeveloped land tax is a backup tax if revenues from taxing Developed Parcels at 100% of the Landscape Maintenance Services Tax is not sufficient to fund the allocated Annual Cost.
- [6] Annexation No. 3 Cambay West Base Year for maximum special tax rates is FY 2001-2002.
- [7] Annexation No. 1 Westlake Base Year for maximum special tax rates is FY 2000-2001.

18

**MEMORANDUM OF PROCEEDINGS  
TO BE CONSIDERED BY THE CITY COUNCIL  
ON WEDNESDAY, JULY 18, 2001  
IN CONNECTION WITH ANNEXATION NO. 3 TO THE  
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING  
COMMUNITY FACILITIES DISTRICT NO. 99-02  
CITY OF SACRAMENTO, COUNTY  
OF SACRAMENTO, STATE OF CALIFORNIA**

It is in order for the City Council to consider the following items to initiate proceedings for the annexation of territory to the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02 ("CFD No. 99-02"):

**A. Items for council action:**

1. Resolution of Intention to annex territory to the CFD No. 99-02, and to levy a special tax upon the annexed territory to finance certain maintenance and related activities. As you will note, this resolution specifies that the services to be provided are as set forth in Exhibit A, that the tax rate and method of apportionment are as set forth in Exhibit B and that the maximum special tax to be levied is set forth in Exhibit C. This resolution also specifies that the boundary map which includes the existing CFD and the proposed territory to be annexed will be attached as Exhibit D. You will have to attach these exhibits before consideration by the city council, as we do not have the final versions thereof.

**B. Items to be deposited with City Clerk:**

- ✓ 1. Boundary map (original and three copies).
- ✓ 2. Notice of public hearing on the Resolution of Intention.
3. Affidavits which have been prepared by our office, and which are included with this memorandum:
  - ✓ (a) Affidavit of recording boundary map.
  - ✓ (b) Affidavit of compliance with requirement for publishing notice of hearing on the resolution of intention.
  - ✓ (c) Affidavit of compliance with requirement for mailing notice of public hearing on the resolution of intention.

4. Certificate relative to voters.

C. **Additional instructions for City Clerk:**

1. **Boundary map:**

- (a) On the original and 3 copies of the boundary map:

- (i) Fill in and sign the Clerk's Certificate and Map Filing Statement, using the date of the council meeting, and enter the resolution number of the resolution of intention.
- (ii) Have the original boundary map filed for record in the office of the County Recorder no later than 15 days prior to the date of the public hearing.
- (iii) Ask the County Recorder to conform the 3 copies of the map with the recording data. Keep 1 conformed copy in the Clerk's file of proceedings, and send 2 conformed copies to our office for the transcript files.

2. **Notice of public hearing:**

- (a) In the first paragraph on page 1, fill in the blank the number of the resolution.
- (b) Attach Exhibit A to the notice.
- (c) Sign the notice.

3. **Publication of notice of hearing.** After the council meeting, please arrange to have the notice of hearing, including Exhibit A, published once in the *Daily Recorder* at least 7 days prior to the public hearing, which publication date I understand is proposed for August 21, 2001. Please secure a proof of publication in triplicate, keep 1 copy for the Clerk's file of proceedings and send 2 copies to our office.

4. Mailing of notices. Please mail a copy of the notice of hearing, including Exhibit A, by first-class mail, postage prepaid, to all property owners and registered voters within proposed territory to be annexed to CFD No. 99-02, in accordance with the names and addresses as they appear on the records of the Sacramento County Treasurer-Tax Collector and the records of the Sacramento County Registrar of Voters, respectively, no later than 15 days prior to the public hearing, which mailing date I understand is proposed for July 18, 2001.

5. Affidavits. Please complete and sign, in triplicate, each of the 3 affidavits listed in item B.3. above and have them notarized. Keep the originals in the City Clerk's file of proceedings, and return 2 copies of each affidavit to our office.

6. Certificate relative to voters. An original and 2 copies are to be signed by Gary Alm or designee. Exhibit A is to be completed and attached to each copy of the signed certificate. Please keep the signed original in the Clerk's file of proceedings and send 2 signed copies to our office.

7. Please send 2 certified copies of the adopted resolution to our office.

Thank you. If there are any questions on these instructions, please contact Bill Carnazzo, Chief Assistant City Attorney, at 264-5346, mail code 0500.

**CERTIFICATE RELATIVE TO VOTERS**

**NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY  
FACILITIES DISTRICT NO. 99-02, ANNEXATION NO. 3, CITY OF SACRAMENTO  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

I, Gary R. Alm, hereby declare:

1. I am familiar with the boundary map of the proposed annexation to the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District").
2. I have prepared, from the official records of Sacramento County, a list of all property owners within the Community Facilities District, including the total number of acres owned within the Community Facilities District by each such property owner, a copy of which list is attached hereto as Exhibit A and incorporated herein and made a part hereof.
3. I have personally inspected the land in proposed annexation to the Community Facilities District, and have noted the locations of all dwellings therein that might contain registered voters, and I have cross-checked such locations with the Sacramento County Registrar of Voters as well as inquired directly of such officer's records to determine the number of registered voters residing within the boundaries of the Community Facilities District, and based on the foregoing, I have determined that on July 18, 2001, there are no registered voters residing within the Community Facilities District.

I certify the foregoing to be true and correct as of July 18, 2001.

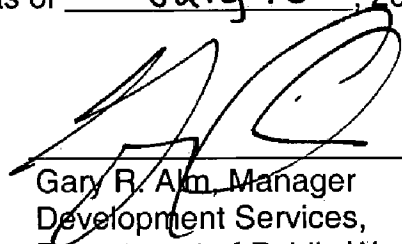
  
\_\_\_\_\_  
Gary R. Alm, Manager  
Development Services,  
Department of Public Works  
City of Sacramento

EXHIBIT A

NORTH NATOMAS NEIGHBORHOOD LANDSCAPING  
COMMUNITY FACILITIES DISTRICT NO. 99-02  
ANNEXATION NO. 3

| <u>County APN</u> | <u>Area</u>  | <u>Owner</u>      |
|-------------------|--------------|-------------------|
| 225-0070-028      | 3.55         | Cambay Group, Inc |
| 225-0080-030      | 41.72        | Cambay Group, Inc |
| 225-0080-031      | 42.97        | Cambay Group, Inc |
| 225-0080-032      | <u>28.59</u> | Cambay Group, Inc |
|                   | 116.83       |                   |

## NOTICE OF PUBLIC HEARING

ON THE RESOLUTION OF INTENTION TO ANNEX  
TERRITORY TO THE CITY OF SACRAMENTO  
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING  
COMMUNITY FACILITIES DISTRICT NO 99-02  
AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE  
LANDSCAPE MAINTENANCE OF CERTAIN PUBLIC FACILITIES  
IN AND FOR SUCH ANNEXATION TO COMMUNITY FACILITIES DISTRICT  
(ANNEXATION NO. 3)

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 2001-483 (the "Resolution") on July 18, 2001, wherein (a) it declared its intention to annex territory more particularly described in Exhibit A attached hereto and incorporated herein and made a part hereto 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") in the area of the City commonly known and designated as the "City of Sacramento North Natomas Neighborhood Landscaping Community Facilities District No. 99-02" (the "Community Facilities District"), for the purpose of financing landscape maintenance of certain public facilities, and wherein (b) it declared its intention to authorize the levy of a special tax in the Community Facilities District ("CFD") to pay for the landscape maintenance, and that a description of the rate and method of apportionment of such special tax and the manner of collection of such special tax is attached hereto, labeled Exhibit B, and is incorporated herein and made a part hereof, and the proposed maximum tax rate is attached hereto as Exhibit C, and is incorporated herein and made a part hereof.

The authorized services include those set forth below in addition to the costs associated with annexation of the district, 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 CFD is to fund the maintenance of parks, landscape corridors, and open space facilities unique to North Natomas or above City standards. Notwithstanding the above funding objectives, the CFD's authorized services include the following:

1. The maintenance of landscaping, irrigation facilities, soundwalls and other appurtenances, relating directly or indirectly thereto, that were made a condition of approval of a residential subdivision map.
2. Maintenance services as required to implement the Lake Management Plan for Westborough.
3. CFD formation and annual administration costs of the District.
4. Miscellaneous cost related or incidental to any of the items described above including planning, engineering, legal and administration.

NOTICE IS HEREBY FURTHER GIVEN that Tuesday, the 21st day of August, 2001, at the hour of 2:00 o'clock p.m. at the regular meeting place of the Council, City Council Chambers, Sacramento City Hall, 915 I Street, Second Floor, Sacramento, California 95814, has been fixed by the Council by the Resolution as the time and place for a public hearing to be held by the Council to consider the establishment of the annexation 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 any persons interested, including all taxpayers, property owners and registered voters within the area to be annexed to the Community Facilities District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the annexation to the Community Facilities District and the levy of such special tax, or the maintenance of the landscaping, or on any other matters set forth in the Resolution, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, except that 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.

NOTICE IS HEREBY FURTHER GIVEN that such public hearing may be continued from time to time, but shall be completed within thirty (30) days, except that if the Council finds that the complexity of the annexation to the Community Facilities District or the need for public participation requires additional time, such public hearing may be continued from time to time for a period not to exceed six (6) months.

NOTICE IS HEREBY FURTHER GIVEN that the Council may at such public hearing modify the Resolution by eliminating any of the maintenance, or by changing the method and apportionment of such special tax so as to reduce the maximum special tax for all or a portion of the owners of property within the Community Facilities District or by removing any territory from the proposed annexation to the Community Facilities District, except that if the Council proposes to modify the Resolution in a way that will increase the probable special tax to be paid by the owner of any lot or parcel of land in the annexation to the Community Facilities District, the council shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of lots or parcels of land in the proposed annexation to the Community Facilities District, and the Council shall receive and consider such report before approving any such modifications or any resolution annexing territory to the Community Facilities District which includes such modifications.

NOTICE IS HEREBY FURTHER GIVEN that at the conclusion of such public hearing the Council may abandon the proposed establishment of the proposed annexation to the Community Facilities District or may, after passing upon all protests, determine to proceed with annexing the proposed territory to the Community Facilities District; provided, that if fifty percent (50%) or more of the registered voters residing within the territory proposed to be included in 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 the land in the territory proposed to be included in the Community Facilities District that are not exempt from the special tax, file written protests against the establishment of the community Facilities District, and such protests are not withdrawn so as to reduce the value of the protests to less than such a majority, no further proceedings to annex territory to the Community Facilities District or to levy such special tax shall be taken for a period of one (1) year from the date of such decision. Except that if the majority protests of the registered voters or of the landowners are only against the furnishing of a specified type or types of maintenance proposed for the annexation to the Community Facilities District, those maintenance services shall be eliminated from the resolution to annex territory to the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that if the Council determines at the conclusion of such public hearing to proceed with the annexation to the Community Facilities District, the proposed voting procedure shall be by landowners voting in accordance with the Act.

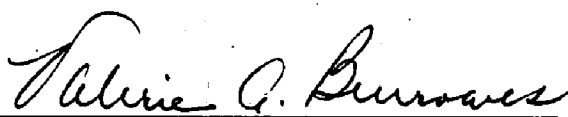
NOTICE IS HEREBY FURTHER GIVEN that a more complete description of the maintenance proposed for the annexation to the Community Facilities District and a copy of the Resolution and the boundary map of the Community Facilities District and proposed territory to be annexed are on file with the City Clerk of the City of Sacramento, Sacramento City Hall, 915 I Street, Second Floor, Sacramento, California 95814, and are available for review there during business hours by any interested persons.

NOTICE IS HEREBY FURTHER GIVEN that the voting procedures shall be as set forth in Government Code Section 53326.

Questions should be directed to Ron Wicky, Department of Public Works, Special Districts, telephone (916) 264-5628.

DATED:

July 18, 2001

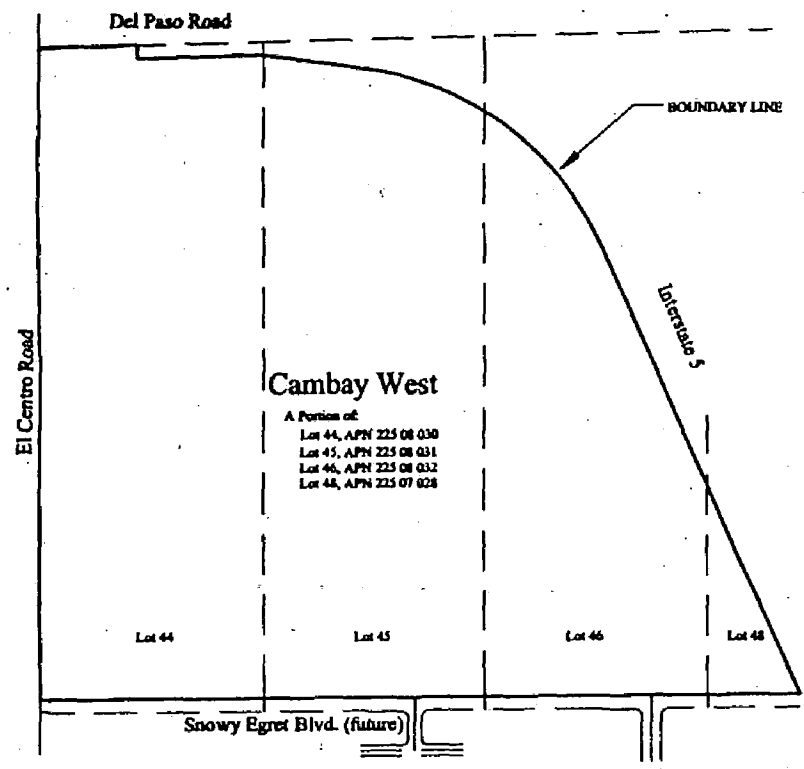
  
VALERIE A. BURROWES  
City Clerk of the City of Sacramento

AD NO. 9310

PUB 1 TIME: JULY 27, 2001

2 PROOF OF PUB.

**BOUNDARIES OF  
 CITY OF SACRAMENTO  
 NORTH NATOMAS NEIGHBORHOOD LANDSCAPING  
 COMMUNITY FACILITIES DISTRICT NO. 99-02  
 ANNEXATION NO. 3  
 SACRAMENTO, CALIFORNIA  
 SHEET 1 OF 1**



**CLERK'S MAP FILING STATEMENT**

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF SACRAMENTO,  
 COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2001

\_\_\_\_\_  
 CITY CLERK  
 CITY OF SACRAMENTO

**CLERK'S CERTIFICATE**

I HEREBY CERTIFY THAT THE MAP SHOWING THE  
 BOUNDARIES OF THE NORTH NATOMAS NEIGHBORHOOD  
 LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 99-02  
 ANNEXATION #3 WAS APPROVED BY THE CITY COUNCIL OF THE  
 CITY OF SACRAMENTO AT A MEETING THEREOF HELD ON  
 \_\_\_\_ DAY OF \_\_\_\_\_, 2001 BY ITS RESOLUTION NO. \_\_\_\_\_

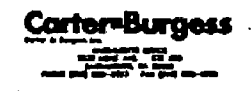
\_\_\_\_\_  
 CITY CLERK  
 CITY OF SACRAMENTO

**COUNTY RECORDER'S FILING STATEMENT**

FILED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2001 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 RECORDER OF THE COUNTY OF SACRAMENTO,  
 STATE OF SACRAMENTO, CALIFORNIA.

\_\_\_\_\_  
 RECORDER OF SACRAMENTO COUNTY  
 STATE OF CALIFORNIA  
 BY: \_\_\_\_\_  
 DOCUMENT NO. \_\_\_\_\_

EXHIBIT A



# Exhibit B

City of Sacramento, California  
North Natomas Neighborhood Landscaping  
Community Facilities District No. 99-02

## 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 the North Natomas Community Facilities District No. 99-02 (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 Landscape Maintenance Services 2) Authorized Drainage Maintenance Services, 3) 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, as listed in the Resolution forming CFD 99-02.

"Base Drainage Maintenance Services Maximum Tax" means the maximum special tax that can be levied for drainage maintenance services for any new Tax Zone created through annexation of a residential subdivision.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 1999 and ending June 30, 2000.

**"Base Landscape Maintenance Services Maximum Tax"** means the maximum special tax that can be levied for landscape maintenance services for any new Tax Zone created through annexation of a residential subdivision.

**"CFD"** means the North Natomas Neighborhood Landscape Services Community Facilities District No. 99-02 of the City of Sacramento, California.

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

**"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 Residential Parcel"** means a residential Parcel, which has a recorded final small lot map for residential uses permitting up to 2 units per lot.

**"Drainage Maintenance Services Tax"** means the portion of the maximum special tax that is levied on a Taxable Parcel to fund drainage maintenance and associated costs.

Residential parcels in certain subdivisions are required by the City to provide a backup funding source for the maintenance of drainage facilities in the event that the homeowners association fails to provide adequate drainage maintenance. This portion of the special tax is only levied if the City has determined that the subdivision homeowners association has failed to adequately provide the required drainage maintenance service.

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

**"Landscape Maintenance Services Tax"** means the portion of the Maximum Annual Special Tax that is levied on a Taxable Parcel to fund landscape maintenance and associated costs. The tax is levied on Parcels that do not have maintenance of landscaping provided by homeowners associations. However, the tax may also be used as a backup tax in the event that a homeowners association fails to adequately provide landscape maintenance and the City has to take over provision of services.

**"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 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 and landscape intensity.

**"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.

**"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 any Parcel, in its entirety, that is or is intended to be publicly owned in the North Natomas Community Plan as adopted by the City--or as subsequently 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.

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

**"Subdivision"** means a division of a Parcel into a set of Successor Parcels through the Subdivision Map Act process.

**"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 classified as a Developed Residential Parcel or Undeveloped 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%.

**"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); and (ii) all other parcels not defined as Developed Residential Parcels or Undeveloped Parcels.

**"Tax Zone"** describes one or more subdivisions with similar landscaping maintenance features and annual maintenance costs that are grouped together as a Tax Zone. Each subdivision included in the CFD at formation is assigned a Tax Zone. As a subdivision is annexed into the CFD, it may either be annexed into an existing Tax Zone or be assigned a new Tax Zone. Tax Zones will be labeled in alphabetical sequence as new Tax Zones are created.

**"Undeveloped Land Tax"** means the maximum special tax that can be levied for landscape maintenance services for an Undeveloped Parcel.

**"Undeveloped Parcel"** means remaining land in subdivision designated for single family residential land uses permitting up to 2 units per lot in the tentative map.

### 3. Duration of the Special Tax

Parcels in the CFD will remain subject to the special 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 cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel.
2. Each Taxable Parcel to be further categorized by Tax Zone. The Tax Zone assigned to a Parcel is based on the same Tax Zone assigned to the Taxable Parcel's subdivision.
3. Each Taxable Parcel to be classified as to whether or not it is subject to the Landscape Maintenance Services Tax.
4. Each Taxable Parcel to be further classified as to whether or not it is subject to the Drainage Maintenance Services Tax.
5. Each Taxable Parcel to be further classified as to whether or not it is subject to the Undeveloped Land Tax.

B. Assignment of Maximum Annual Special Tax.

Attachment 1 shows the Base Year Maximum Special Tax rates. Each Fiscal Year following the Base Year, the Maximum Special Tax rates shall be increased in accordance with the Tax Escalation Factor.

C. Annexation Parcels. Subdivisions annexing into the CFD shall have their Maximum Special Tax Rate and Tax Zone assigned at the time of annexation.

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and/or is converted to Developed Residential Parcel, 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. Conversely, if a privately owned parcel is converted to a public use, it shall become Tax-Exempt.

### 5. Calculating Annual Special Taxes

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

A. Compute the Annual Cost using the definition in Section 2 for the Fiscal Year. The City will allocate the Annual Costs for landscape maintenance and drainage maintenance for each Tax Zone. All administrative costs or other costs not related to the provision of landscape maintenance or drainage maintenance shall be allocated based on each Tax

Zone's percentage of the total landscape maintenance costs and drainage maintenance costs.

B. For each Tax Zone, calculate the Landscape Maintenance Service Tax for each Developed Parcel necessary to fund the allocated landscape maintenance cost and administration cost by the following:

- Calculate the Maximum Annual Special Tax Revenues for the landscape maintenance portion of the Special Tax by setting the tax rate for each Developed Parcel at 100% of its Maximum Annual Special Tax shown in **Attachment 1**. If revenues are greater than the Annual Cost allocated to the Tax Zone for landscape maintenance and administration cost, the tax is reduced proportionately until the special tax is set at an amount sufficient to cover the allocated Annual Cost.
- If revenues from taxing Developed Parcels at 100% of the Maximum Annual Special Tax is not sufficient to fund allocated Annual Cost, levy the Undeveloped Land Tax up to 100% of its Maximum Annual Special Tax shown in **Attachment 1**, or until total special tax revenues equal Annual Cost.

C. For each Tax Zone, calculate the Drainage Maintenance Services Tax for each Taxable Parcel necessary to fund the allocated drainage maintenance costs by the following:

- Calculate the Maximum Annual Special Tax Revenues for the drainage maintenance portion of the Special Tax by setting the tax rate for each Taxable Parcel subject the drainage maintenance portion of the Special Tax at 100% of its Maximum Annual Special Tax shown in **Attachment 1**. If revenues are greater than the Annual Cost allocated to the Tax Zone for drainage maintenance, the tax rate is reduced proportionately until the tax levy is set at an amount sufficient to cover the allocated Annual Cost.

D. Sum the Landscape Maintenance Services Tax and the Drainage Maintenance Services Tax calculated above to determine the Special Tax Levy for each Taxable Parcel in each Tax Zone.

E. 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. 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 current Parcel Number;
- The Parcel acreage;
- Number of residential units per parcel; and
- Tax Zone for the Parcel.

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

## 7. 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.

## 8. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes; provided; however, the City or its designee may directly bill the Special tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary to meet its financial obligation.

**EXHIBIT C**

**Figure D-1**  
**City of Sacramento CFD No. 99-02**  
**Maximum Special Tax Rates for Base Year 1999-2000 [1]**

| Tax Zone [1]                      | Subdivision Special Taxes [2]   | FY 1999-2000 Base Year Maximum Special Tax Rate [3], [4] | Developed Residential Parcels Special Tax Calculated Per            |
|-----------------------------------|---|--|---|
| <b>Tax Zones at CFD Formation</b> |   |  |   |
| <b>A</b>                          | <b>Natomas Park</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]  | \$35<br>\$0<br>\$0                                       | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
| <b>B</b>                          | <b>Natomas Crossing</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]  | \$45<br>\$0<br>\$0                                       | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
| <b>C</b>                          | <b>Gateway West</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax - Gateway West North<br>Drainage Maintenance Services Tax - other subdivisions<br>Undeveloped Land Tax [5] | \$60<br>\$150<br>\$0<br>\$0                              | Authorized Unit<br>Authorized Unit<br>Authorized Unit<br>Gross Acre |
| <b>Future Annexations</b>         |   |  |   |
| <b>E</b>                          | <b>Annexation No. 3 Cambay West [6]</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]  | \$80<br>\$0<br>\$0                                       | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
| <b>A</b>                          | <b>Annexation No. 2 River View</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]   | \$35<br>\$0<br>\$0                                       | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
| <b>D</b>                          | <b>Annexation No. 1 Westlake [7]</b><br>Landscape Maintenance Services Tax<br>Drainage Maintenance Services Tax<br>Undeveloped Land Tax [5]   | \$70<br>\$40<br>\$0                                      | Authorized Unit<br>Authorized Unit<br>Gross Acre                    |
|                                   | <b>Base Landscape Maintenance Services Maximum Tax</b>  | <b>\$100</b>   | Authorized Unit   |
|                                   | <b>Base Drainage Maintenance Services Maximum Tax</b>   | <b>\$200</b>   | Authorized Unit   |
|                                   | <b>Undeveloped Land Tax [5]</b>   | <b>\$310</b>   | Gross Acre  |

\*a1\*

- [1] Any new Tax Zone that is created will be labeled with an alphabetical letter. The new letter will follow sequence from the existing Tax Zone letters.
- [2] At time of District Formation, three project areas were identified with varying annual maintenance costs. Annexing subdivisions will either be added to an existing Tax Zone, or a new Tax Zone will be created. In no case may a new Tax Zone have a Maximum Annual Special Tax for Landscaping or Drainage Maintenance greater than the Base Maximum Annual Special Taxes (as may be adjusted by the Tax Escalation Factor) shown in the above table.
- [3] If landscape maintenance or drainage services are provided by a Homeowners Association, the maximum special tax rate for those parcels will be set to \$0.
- [4] Following the Base Year 1999-2000 for Tax Zones A, B, and C, and Base Year 2000-2001 for Tax Zone D, the Maximum Special Tax Rates will increase annually based upon the Consumer Price Index (CPI) (prior year annual average), San Francisco, All Urban Consumers (CPI-U), not to exceed 4%.
- [5] The undeveloped land tax is a backup tax if revenues from taxing Developed Parcels at 100% of the Landscape Maintenance Services Tax is not sufficient to fund the allocated Annual Cost.
- [6] Annexation No. 3 Cambay West Base Year for maximum special tax rates is FY 2001-2002.
- [7] Annexation No. 1 Westlake Base Year for maximum special tax rates is FY 2000-2001.