

APPROVED

APR 16 2002

OFFICE OF THE
CITY CLERK

2.6

DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

DEVELOPMENT SERVICES DIVISION

SPECIAL DISTRICTS
1231 I STREET, 3rd Floor
SACRAMENTO, CA 95814-2700

PH. (916) 264-7474
FAX (916) 264-7480

April 1, 2002

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: WILLOWCREEK AND NORTH NATOMAS COMMUNITY FACILITIES
DISTRICTS (CFD'S) - AMENDMENTS TO THE REVENUE AND
EXPENDITURE BUDGETS FOR FISCAL YEAR 2001-02**

LOCATION AND COUNCIL DISTRICT:

Willowcreek and North Natomas Community Plan Area, Council District 1.

RECOMMENDATION:

This report recommends that the City Council adopt the attached Resolutions amending the revenue and expenditure budgets for the following districts for fiscal year 2001/02:

- Willowcreek Landscaping CFD #98-04
- North Natomas Landscape Maintenance CFD No. 98-01
- North Natomas Neighborhood Landscape Maintenance CFD No. 99-02
- North Natomas Transportation Management Association CFD No. 99-01

CONTACT PERSON:

Rita Goolkasian, Special Districts Analyst, 264-5236

FOR COUNCIL MEETING OF: April 16, 2002

Department of
PUBLICWORKS
CITY OF
SACRAMENTO

City Council
Willowcreek and North Natomas CFD FY2001-02
April 2, 2002

SUMMARY:

The four (4) CFD's provide funding for annual operations and maintenance services for the Willowcreek and North Natomas community areas. The attached budget resolutions for each of the districts will amend the current fiscal year budgets to reflect the actual fiscal year 2001/02 revenue and expenditure needs for the CFD's.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

The following four (4) CFD's were not included in the annual FY 02 budget preparation; and, therefore require council authorization to amend their existing budgets to reflect current year needs.

Willowcreek Landscape CFD #98-04, Fund 278

This district provides for subdivision landscape maintenance in the Willowcreek planning area of South Natomas. It was formed in August 1998. It is projected that the fund will collect \$52,200 in FY 2001/02. This report requests appropriation authority of \$52,200 to match anticipated revenues.

North Natomas Neighborhood Landscape Maintenance CFD No. 99-02, Fund 276

This district provides funding of certain North Natomas subdivision landscaping and was formed in June 1999. It is projected that the fund will collect \$111,165 in FY 2001/02. This report requests appropriation authority of \$111,165 in FY 2001/02 to match anticipated revenues.

North Natomas Landscape Maintenance CFD No. 98-01, Fund 279

This district provides for the funding of certain North Natomas landscaping and was formed in June 1998. It is projected that the fund will collect \$472,272 in FY 2001/02. This report requests appropriation authority of \$472,272 in FY 2001/02 to match anticipated revenues.

North Natomas Transportation Management Association CFD No. 99-01 – Fund 263

This district provides funding for the North Natomas Transportation Management Association, which provides alternative mode transportation services for workers and residents of North Natomas. It was formed in June 1999. It is projected that the fund will collect \$190,115 in FY 2001/02. This report requests appropriation authority of \$190,115 in FY 2001/02 to match anticipated revenues.

City Council
Willowcreek and North Natomas CFD FY2001-02
April 2, 2002

FINANCIAL CONSIDERATIONS:

There is no impact to the general fund. All funding for infrastructure or services are from CFD special tax proceeds.

ENVIRONMENTAL CONSIDERATIONS:

The City's action in adopting each attached individual resolution is for the sole purpose of appropriating funds for existing special districts and is therefore not a project for the purposes of the California Environmental Quality Act.

POLICY CONSIDERATIONS:

This report is consistent with City policy requiring Council authorization to amend district budgets to reflect program needs each fiscal year.

ESBD:

None. No goods or services are being purchased.

Respectfully submitted,



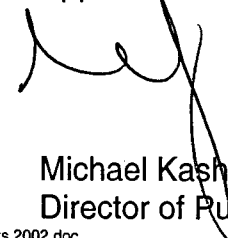
Gary Alm, Manager
Development Services

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

Approved:



Michael Kashiwagi
Director of Public Works

S:\TS Wrk Grp Docs\Spec Dist\PROJECTS\CFD\North Natomas CFD's R and E Budgets 2002.doc

APPROVED

APR 16 2002

OFFICE OF THE
CITY CLERK**RESOLUTION NO. 2002-198**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AMENDING THE REVENUE AND EXPENDITURE
BUDGETS FOR THE NORTH NATOMAS NEIGHBORHOOD
LANDSCAPE MAINTENANCE CFD NO. 99-02, FUND 276,
FOR FISCAL YEAR 2001/2002.****BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

The revenue (\$111,165) and expenditure (\$111,165) budgets be established for the North Natomas Neighborhood Landscape Maintenance CFD 99-02 as follows:

FUND	ACT	AGY	ORGN	OBJ/REV	CURRENT BUDGET	REVISED BUDGET	INCREASE (DECREASE)	BUDGET REFERENCE
276	C	310	3121	3657	0	111,165	111,165	A
				RB	0	111,165	111,165	
				Totals:				
276	A	110	1131	4384	0	5,000	5,000	B
276	C	110	1131	4390	6,963	3,000	(3,963)	
276	C	310	3121	4384	5,000	8,100	3,100	C
276	C	310	3121	4390	3,000	4,000	1,000	
276	C	310	3197	4384	10,000	20,000	10,000	D
276	A	310	3197	4390	0	4,000	4,000	
276	C	710	7012	4999	80,000	67,065	(12,935)	E
				EB Totals:	104,963	111,165	6,202	

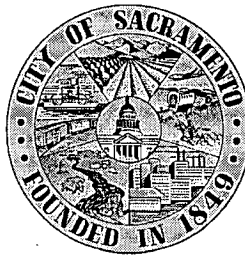
MAYOR

ATTEST:

CITY CLERK**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: _____

DATE ADOPTED: _____



3.1

**DEPARTMENT OF
PUBLIC WORKS**

TECHNICAL SERVICES

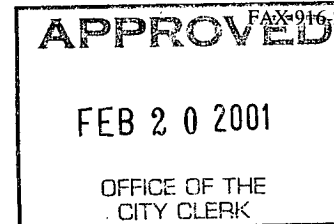
**CITY OF SACRAMENTO
CALIFORNIA**

SPECIAL DISTRICTS

1231 I Street
SACRAMENTO, CA
95814
PH 916-264-7113
FAX 916-264-7480

February 5, 2001

City Council
Sacramento, California



Honorable Members in Session:

**SUBJECT: ANNEXATION #2 TO THE NORTH NATOMAS NEIGHBORHOOD
LANDSCAPING COMMUNITY FACILITIES DISTRICT (CFD) NO. 99-02
PUBLIC HEARING**

LOCATION AND COUNCIL DISTRICT:

Annexation #2 to the North Natomas Neighborhood Landscaping CFD No. 99-02 is located in the North Natomas Community Plan area in Council District 1 (see map marked as Exhibit D to the attached resolution).

RECOMMENDATION:

This report recommends that the City Council conduct the public hearing and adopt a Resolution of Formation, which calls for a special election on March 6, 2001.

CONTACT PERSON:

Ron Wicky, Special Districts Analyst, 264-5628

FOR COUNCIL MEETING:

February 20, 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 call for a special election on March 6, 2001.

COMMITTEE/COMMISSION ACTION:

None.

City Council

Annexation #2 to the North Natomas Neighborhood Landscaping CFD No. 99-02

February 5, 2001

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. 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 Riverview (see exhibit D of the attached resolution).

FINANCIAL CONSIDERATIONS:

The current maximum tax rate will be (forty dollars) \$40.00 for this zone. Only "developed residential parcels" would 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:

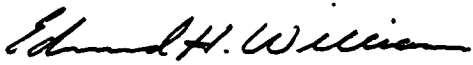
The procedures under which this CFD is being initiated are set forth in Title 5 of the Government Code, Sections 53311-53317.5 entitled "The Mello-Roos Community Facilities Act of 1982."

City Council
Annexation #2 to the North Natomas Neighborhood Landscaping CFD No. 99-02
February 5, 2001

ESBD CONSIDERATIONS:


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

Respectfully submitted,


For Gary Alm, Manager
Development Services and Special Districts

RECOMMENDATION APPROVED:

Approved:


ROBERT P. THOMAS
City Manager


Michael Kashiwagi
Director of Public Works

EXHIBIT A

**ANNEXATION #2 TO THE NORTH NATOMAS NEIGHBORHOOD
LANDSCAPING CFD NO 99-02
SCHEDULE**

January 16, 2001	City Council Resolution of Intention
January 17, 2001	Mail Notice of Hearing
February 20, 2001	City Council Hearing, Call for Special Election
February 21, 2001	Mail Ballots (Waiver of 90-day period)
March 6, 2001	Ballots Due
March 20, 2001	City Council Election Results
March 20, 2001	City Council Pass for Publication Ordinance to Levy Tax
March 21, 2001	Record Notice of Special Tax
March 27, 2001	City Council Adopt Ordinance to Levy Tax

APPROVED

FEB 20 2001

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2001-117

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO
ANNEXING TERRITORY (ANNEXATION NO. 2) TO THE CITY OF SACRAMENTO
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES
DISTRICT NO. 99-02 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 North Natomas Landscaping Community Facilities District No. 99-02 ("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 landscape maintenance 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 financing the acquisition and construction of the Services includes incidental expenses for the services, including the costs of planning and designing 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. 2001-003 (the "Resolution") on January 16, 2001, 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 "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 be known and designated as "North Natomas Neighborhood Landscaping Community

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RESOLUTION NO. _____

DATE ADOPTED: _____

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Facilities District No. 99-02, Annexation No. 2" ("Annexation No. 2"), to finance the landscape maintenance services (the "Services") in and for Annexation No. 2 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. 2 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 the Community Facilities District 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, the 20th day of February, 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, Sacramento, California 95814, at which hearing the Council considered the establishment of Annexation No. 2 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. 2 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 therefor, 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. 2 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 Exhibits B and C, attached hereto and incorporated herein and made a part hereof) to pay for the Services proposed to be provided in and for Annexation No. 2 to the Community Facilities District, and to establish an appropriations limit for Annexation No. 2 to the Community Facilities District;

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RESOLUTION NO. _____

DATE ADOPTED: _____

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 reapproves and readopts the Resolution, and reconfirms 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. 2 to the Community Facilities District shall be as set forth in Exhibits B and C, 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. 2 to the Community Facilities District, which lien 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. 2 to the Community Facilities District and the levy of such special tax, or the extent of the Community Facilities District, or any of the Services proposed therefor, 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. 2 to the Community Facilities District therefor, or the levy of the special tax proposed to be levied therein, or the extent of Annexation No. 2 to the Community Facilities District, or any of the Services therefor, or the establishment of an appropriations limit for Annexation No. 2 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. 2 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. 2 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 D, 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. 2 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. 2 to the Community Facilities District, which tax shall be secured by recordation of a continuing lien against all nonexempt property in Annexation No. 2 to the Community Facilities District, will be levied annually within the boundaries of

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RESOLUTION NO. _____

DATE ADOPTED: _____

Annexation No. 2 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 Exhibits B and C, 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. 2 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.

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. 2 to the Community Facilities District on Tuesday, March 6, 2001, 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. 2 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 \$100,000 per fiscal year in connection therewith for Annexation No. 2 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.

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RESOLUTION NO. _____

DATE ADOPTED: _____

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(b) All landowners within Annexation No. 2 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 1340 et seq. and Section 23511.1 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 8:00 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 and incurring such bonded indebtedness 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 and incurring such bonded indebtedness 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 of said special election at 5:00 p.m. on Tuesday, March 6, 2001, at the office of the City Clerk of the Council, City Council Chambers, Sacramento City Hall, 915 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, March 20, 2001, 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 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 the Community Facilities District, as defined by Article XIII B, Section 8(h)

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RESOLUTION NO. _____

DATE ADOPTED: _____

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 5 of this resolution (including the repayment of funds advanced for Annexation No. 2 to the Community Facilities District).

Section 12. The Associate Engineer, Special Districts, Department of Public Works of the City, at City Hall, City of Sacramento, 915 I Street, Sacramento, California 95814 (telephone 916/264-5440) 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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RESOLUTION NO. _____

DATE ADOPTED: _____

Exhibit A

North Natomas Neighborhood Landscaping CFD No. 99-02 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 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

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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DATE ADOPTED: _____

"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.

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DATE ADOPTED: _____

"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.

B-5

FOR CITY CLERK USE ONLY

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

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
Tax Zones at CFD Formation			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
Future Annexations:			
A	River View		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
D	Annexation No. 1 Westlake [6]		
	Landscape Maintenance Services Tax	\$70	Authorized Unit
	Drainage Maintenance Services Tax	\$40	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	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.

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FOR CITY CLERK USE ONLY

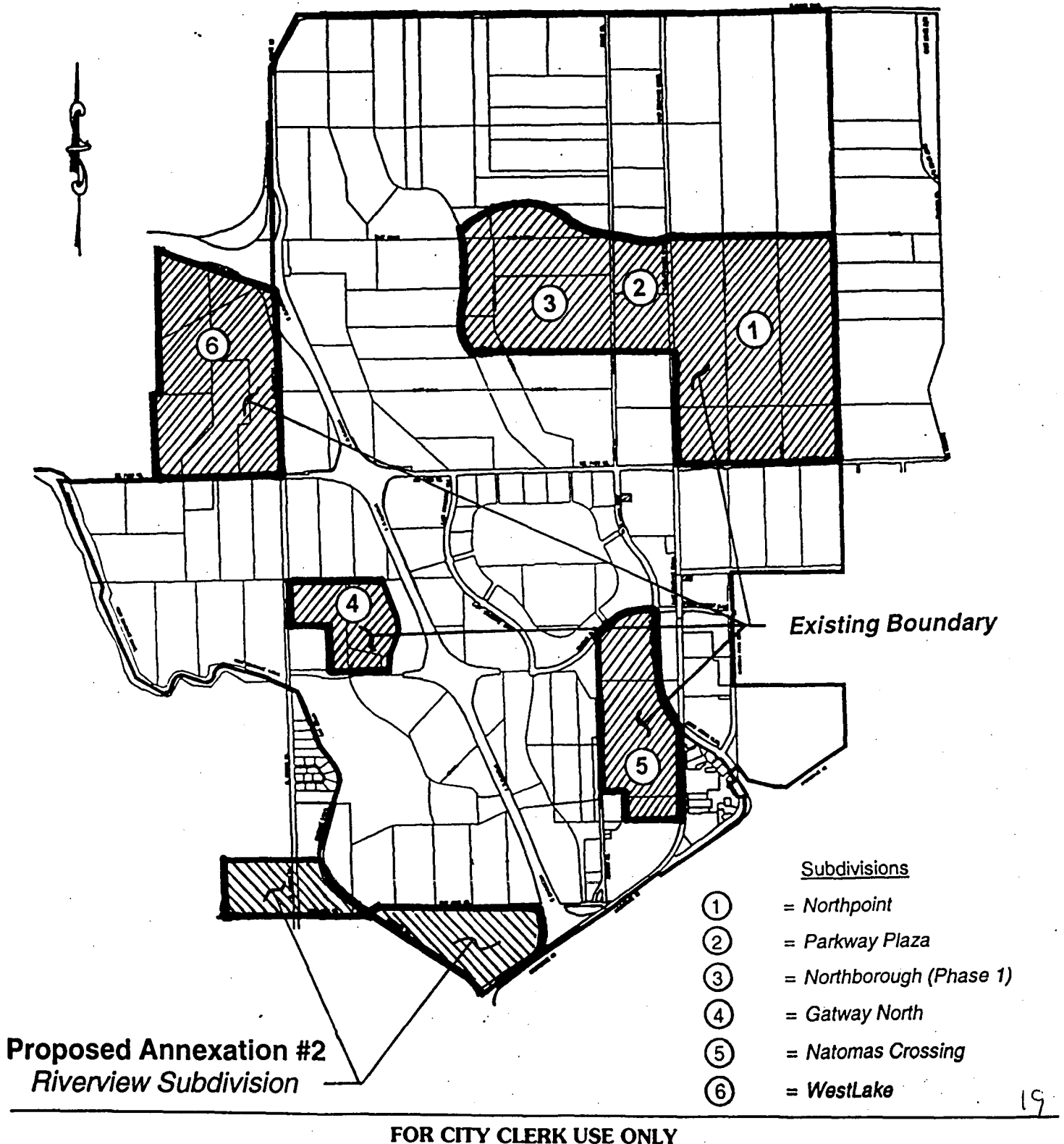
RESOLUTION NO.: _____

DATE ADOPTED: _____

EXHIBIT D

NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT #99-02

AREA OF SERVICES



RESOLUTION NO.: _____

DATE ADOPTED: _____

CITY OF SACRAMENTO

AFFIDAVIT OF DELIVERY OF BALLOTS
FOR THE SPECIAL MAILED-BALLOT ELECTION TO BE HELD
IN ANNEXATION NO. 2 TO THE NORTH NATOMAS
NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES
DISTRICT NO. 99-02, CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento;

That, pursuant to Resolution No. 2001-117 (the "Resolution") adopted by the City Council of the City of Sacramento on February 20, 2001, she complied with the requirements for delivering the ballots for the special mailed-ballot election to be held on March 6, 2001, in the territory to be annexed, Annexation No. 2 to the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, City of Sacramento, County of Sacramento, State of California, as set forth in Section 10 of the Resolution, by mailing or in person to each of the landowners qualified to vote at said special mailed-ballot election on February 21, 2001. A copy of the form of the ballot is attached hereto as Exhibit A.

Valerie A. Burrowes
City Clerk of the City of Sacramento

Subscribed and sworn to before me
this 21st day of February, 2001.

Angelina M. Resurreccion
NOTARY PUBLIC
State of California

[Notarial Seal]

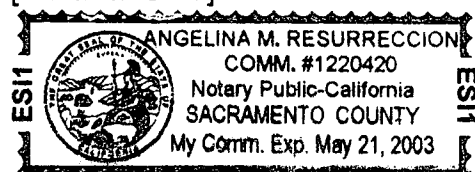


EXHIBIT A

**CITY OF SACRAMENTO
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES
DISTRICT NO. 99-02 ANNEXATION NO. 2
SPECIAL ELECTION BALLOT
FOR THE MAILED-BALLOT ELECTION OF March 6, 2001**

This ballot is for the use of _____, a landowner within the City of Sacramento North Natomas Neighborhood Landscaping Community Facilities District No. 99-02 Annexation No.2.

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resolutions of the City Council of the City of Sacramento, such landowner is entitled to cast _____ votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before 5:00 p.m. on Tuesday, March 6, 2001 to:

Valerie A. Burrowes, City Clerk
City of Sacramento
Sacramento City Hall
915 I Street, Room 304
Sacramento, CA 95814

Mailing by that date will not be sufficient, as the ballot must be physically received by the City Clerk of the City of Sacramento prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City of Sacramento North Natomas Neighborhood Landscaping Community Facilities District No. 99-02 Annexation No. 2 be authorized to finance landscape maintenance, more fully described in Exhibit A, and shall an appropriations limit in the amount of \$100,000 per fiscal year in connection therewith be established for the a maximum rate and method of apportionment as provided in Resolution No. 2001-117 adopted by the City Council on February 20, 2001, which is incorporated herein by reference, be levied to pay for the maintenance of landscaping.

Number of Votes
YES

Number of Votes
NO

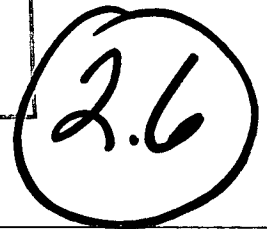
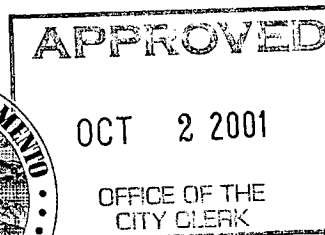
Certification

The undersigned is the authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 2001.

By: _____

Authorized Representative



**DEPARTMENT OF
PUBLIC WORKS**

SPECIAL DISTRICTS DIVISION

**CITY OF SACRAMENTO
CALIFORNIA**

DEVELOPMENT SERVICES
1231 I Street
SACRAMENTO, CA
95814
PH 916-264-7474
FAX 916-264-7480

September 17, 2001

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ANNEXATION #4 TO THE NORTH NATOMAS NEIGHBORHOOD
LANDSCAPING COMMUNITY FACILITIES DISTRICT (CFD) NO. 99-02 -
INITIATE PROCEEDINGS**

LOCATION AND COUNCIL DISTRICT: Annexation #4 to the North Natomas
Neighborhood Landscaping CFD No. 99-02 is located in the North Natomas Community
Plan area in Council District 1 (see Exhibit D to the attached Resolution).

RECOMMENDATION:

This report recommends that the City Council adopt a Resolution of Intention to levy a
special tax and set a hearing date for November 6, 2001.

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

FOR COUNCIL MEETING: October 2, 2001

SUMMARY:

This report presents a proposal to annex territory in to the existing CFD to fund future
landscaping needs in the North Natomas area. Adoption of the attached resolution will
set a hearing date for November 6, 2001 (See Exhibit A).

City Council

Annexation #4 to the North Natomas Neighborhood Landscaping CFD No. 99-02

September 14, 2001

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, Natomas Crossing, Riverview and Cambay West. 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 Northborough II and Northpoint North (See Exhibit D of the attached Resolution).

FINANCIAL CONSIDERATIONS:

The current maximum tax rate will be (forty dollars) \$40 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 #4 to the North Natomas Neig33hborhood Landscaping CFD No. 99-02

September 14, 2001

ESBD CONSIDERATIONS:

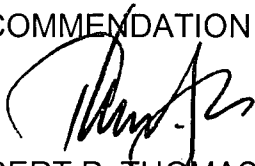
City council adoption of the attached resolution is not affected by city policy related to ESBD.

Respectfully submitted,



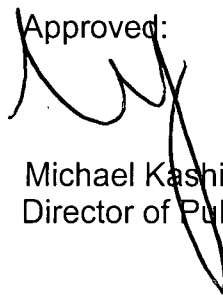
Gary Alm, Manager
Development Services and Special Districts

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

Approved:

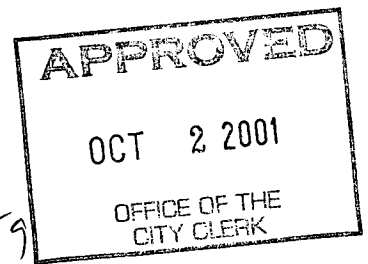


Michael Kashiwagi
Director of Public Works

Exhibit A

ANNEXATION #4 TO THE NORTH NATOMAS NEIGHBORHOOD LANDSCAPING CFD NO 99-02 SCHEDULE

October 2, 2001	City Council Resolution of Intention
October 3, 2001	Mail Notice of Hearing, Call for Special Election
November 6, 2001	City Council Hearing
November 7, 2001	Mail Ballots (Waiver of 90-day period)
November 14, 2001	Ballots Due
November 27, 2001	City Council Election Results
November 27, 2001	City Council Pass for Publication Ordinance to Levy Tax
November 28, 2001	Record Notice of Special Tax
December 4, 2001	City Council Adopt Ordinance to Levy Tax



RESOLUTION NO. 2001-659

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. 4)**

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, Chapter 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

S:\bill\assess\mncfd99099-02 annex no.4\resol of intention

FOR CITY CLERK USE ONLY

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. 4."

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, Chapter 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, Chapter 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, Chapter 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 November 6, 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.

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 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

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____

Exhibit A

North Natomas Neighborhood Landscaping CFD No. 99-02 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 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.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

44 9

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.

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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.

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"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.

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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

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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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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.

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EXHIBIT C

Attachment 1
City of Sacramento CFD No. 99-02
Maximum Special Tax Rates

Tax Zone [1]	Subdivisions [2]	Base Year Maximum Special Tax Rate [3], [4]	Developed Residential Parcels Special Tax Calculated Per
Tax Zones at CFD Formation			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
Future Annexations			
A	Annexation No. 4 Natomas Park [6]		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
F	Annexation No. 4 Northpointe II [7]		
	Landscape Maintenance Services Tax	\$20	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
E	Annexation No. 3 Cambay West [7]		
	Landscape Maintenance Services Tax	\$80	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
A	Annexation No. 2 River View		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
D	Annexation No. 1 Westlake [8]		
	Landscape Maintenance Services Tax	\$70	Authorized Unit
	Drainage Maintenance Services Tax	\$40	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	Gross Acre

"a1"

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Figure D-1

City of Sacramento CFD No. 99-02

Maximum Special Tax Rates for Base Year 1999-2000 [1]

- [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, Base Year 2000-2001 for Tax Zone D, and Base Year 2001-2002 for Tax Zone E and Tax Zone F 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] Includes Northborough Phase II, a subdivision of Natomas Park.
- [7] Base Year for maximum special tax rates is FY 2001-2002.
- [8] Base Year for maximum special tax rates is FY 2000-2001.

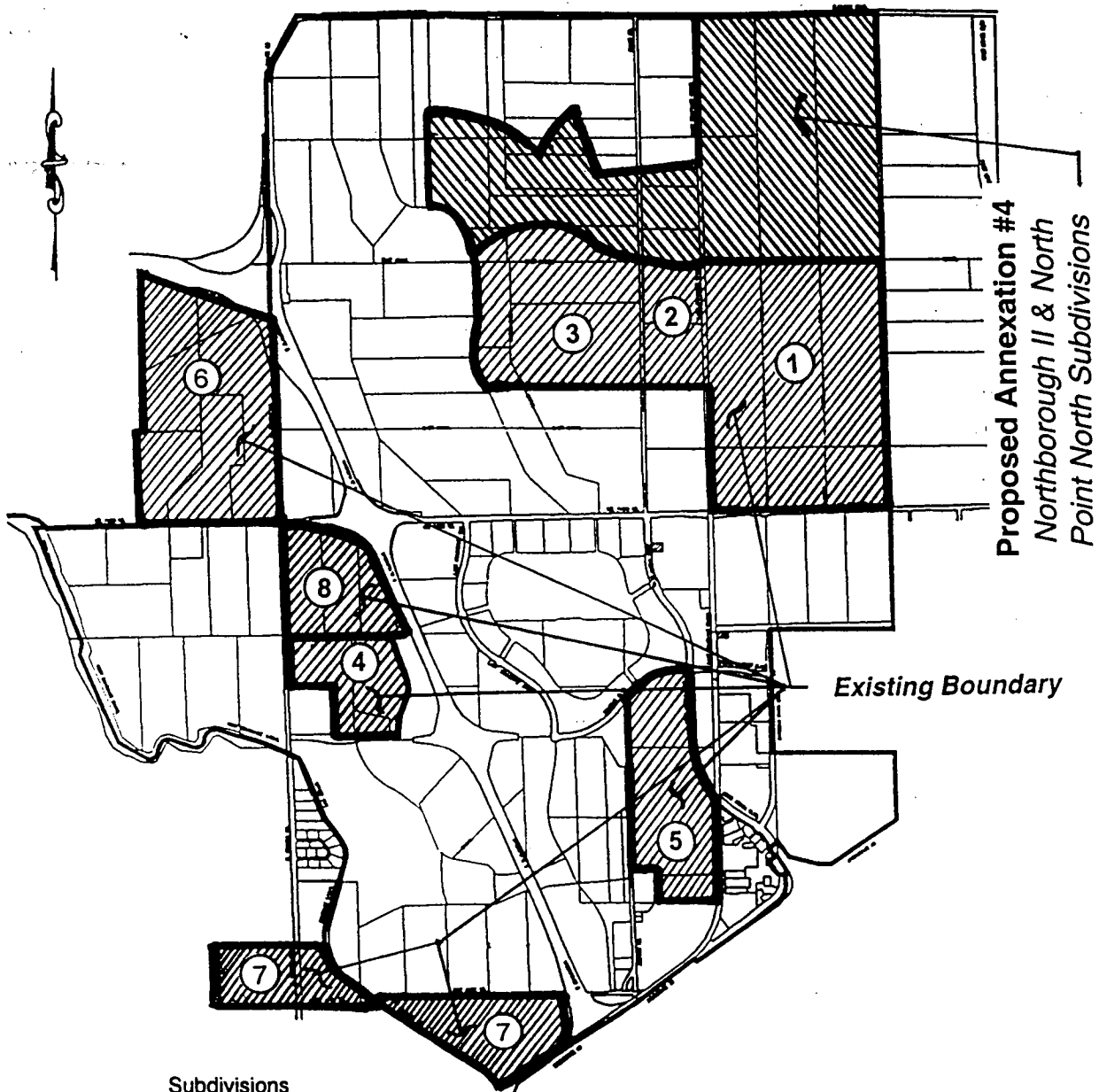
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RESOLUTION NO.: _____

DATE ADOPTED: _____

NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT #99-02

AREA OF SERVICES



Subdivisions

- ① = Northpoint
- ② = Parkway Plaza
- ③ = Northborough I
- ④ = Gateway North
- ⑤ = Natomas Crossing
- ⑥ = Westborough
- ⑦ = Riverview

⑧ = Cambay West

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**MEMORANDUM OF PROCEEDINGS
TO BE CONSIDERED BY THE CITY COUNCIL
ON TUESDAY, OCTOBER 2, 2001
IN CONNECTION WITH ANNEXATION NO. 4 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. 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.

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.

THE DAILY RECORDER

~ SINCE 1911 ~

1115 H Street, P.O. Box 1048, Sacramento, California 95812
Telephone (916) 444-2355 / Fax (916) 444-0636

SAC. CITY CLERK
915 I St. #304
SACRAMENTO, CA 95814

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of Sacramento) ss

Notice Type: GRR GOVT READY-RUN

Ad Description: AD NO 9357

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the DAILY RECORDER, a daily newspaper published in the English language in the City of Sacramento, County of Sacramento, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of Sacramento, State of California, under date May 2, 1913, Case No. 16,180. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

10/09/01

Executed on: 10/09/01
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

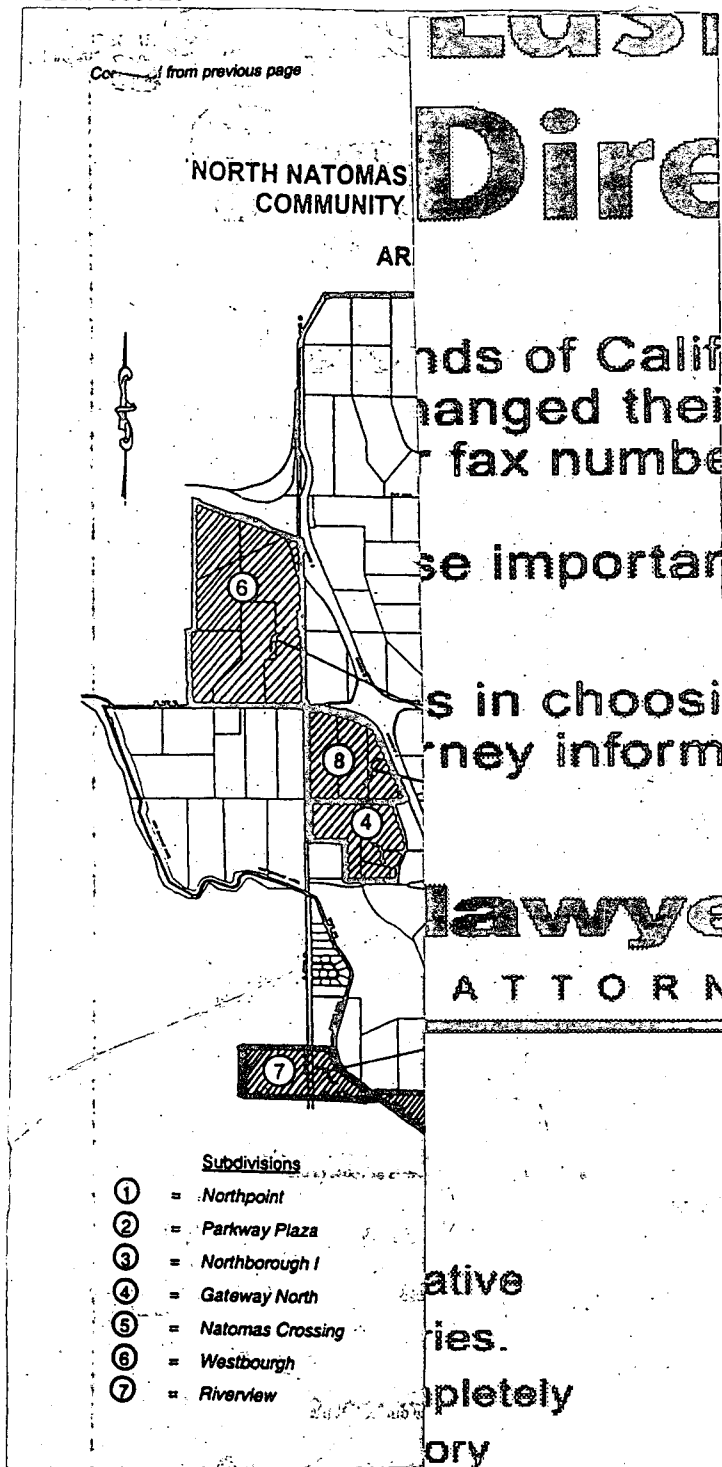
C. Brambila
Signature

RECEIVED
This space for filing stamp only
CITY CLERK'S OFFICE
CITY OF SACRAMENTO

OCT 11 2 06 PM '01

*No Natomas
Neighborhood?
9902 Area #4*

SC#: 305726



THE DAILY RECORDER

~ SINCE 1911 ~

1115 H Street, P.O. Box 1048, Sacramento, California 95812
Telephone (916) 444-2355 / Fax (916) 444--0636

SAC. CITY CLERK
915 I St. #304
SACRAMENTO, CA 95814

This space for filing stamp only

SC#: 306716

NOTICE OF PUBLIC HEARING
ON THE RESOLUTION OF INTENTION
TO ANNEX TERRITORY TO THE CITY
OF SACRAMENTO

10/12/01

SC- 306716#

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of Sacramento) ss

Notice Type: GRR GOVT READY-RUN

Ad Description: AD NO 9360

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the DAILY RECORDER, a daily newspaper published in the English language in the City of Sacramento, County of Sacramento, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of Sacramento, State of California, under date May 2, 1913, Case No. 16,180. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said-newspaper and not in any supplement thereof on the following dates, to-wit:

10/12/01

9902

Annex #4

N. N. P. Neigh. Land Secretary

Executed on: 10/12/01
At Los Angeles, California

CFD

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

C. Brambila

Signature

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. 4)

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 2001-659 (the "Resolution") on October 2, 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. CFD formation and annual administration costs of the District.
3. 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 6th day of November,

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 (½) 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: *October 3, 2001*

Valerie A. Burrowes

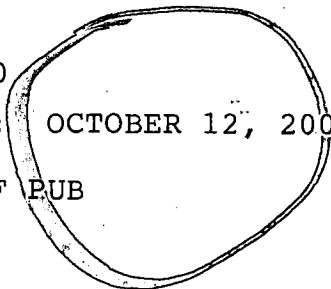
VALERIE A. BURROWES

City Clerk of the City of Sacramento

AD NO. 9360

RUN 1 TIME: OCTOBER 12, 2001

2 PROOFS OF PUB



**BOUNDARIES OF
NORTH NATOMAS
NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT No. 99-02
ANNEXATION NO. 4
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, CALIFORNIA

CLERK'S CERTIFICATE.

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 99-02, ANNEXATION NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2001, BY ITS RESOLUTION NO. _____

CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT.

FILED THIS _____ DAY OF _____, 2001 AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE COUNTY OF
SACRAMENTO, CALIFORNIA

BY: _____
DEPUTY

DOCUMENT NO. _____

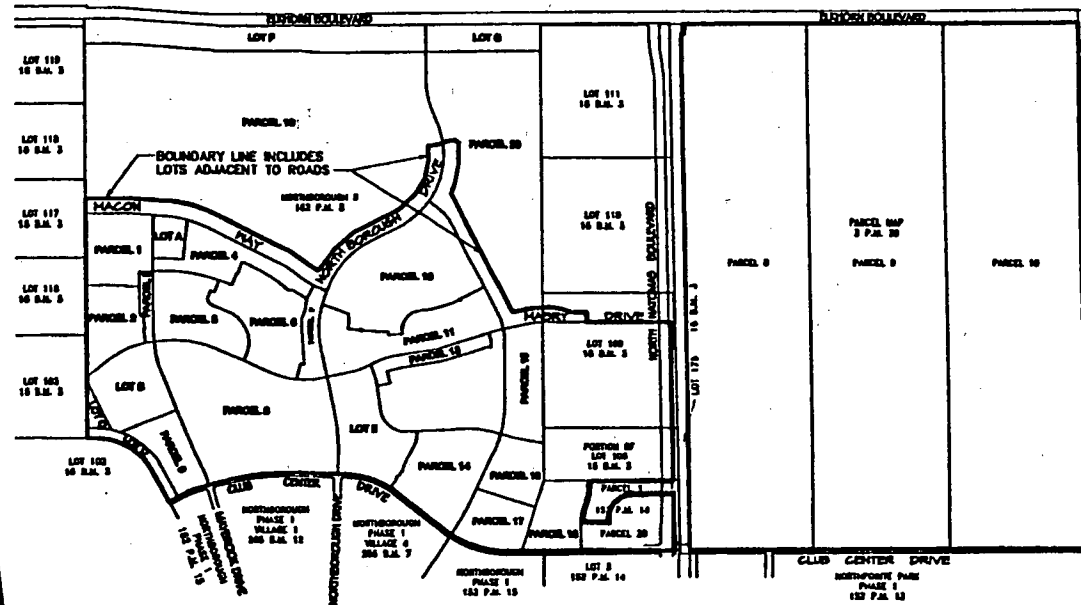


EXHIBIT A

WOOD RODGERS INC.
ENGINEERING PLANNING MAPS SURVEYING

3301 D STREET, SUITE 100
SACRAMENTO, CA 95816
PHONE: (916) 241-7760

1015.033

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.

"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

Attachment 1
City of Sacramento CFD No. 99-02
Maximum Special Tax Rates

Tax Zone [1]	Subdivisions [2]	Base Year Maximum Special Tax Rate [3], [4]	Developed Residential Parcels Special Tax Calculated Per
<u>Tax Zones at CFD Formation</u>			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
<u>Future Annexations</u>			
A	Annexation No. 4 Natomas Park [6]		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
F	Annexation No. 4 Northpointe II [7]		
	Landscape Maintenance Services Tax	\$20	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
E	Annexation No. 3 Cambay West [7]		
	Landscape Maintenance Services Tax	\$80	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
A	Annexation No. 2 River View		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
D	Annexation No. 1 Westlake [8]		
	Landscape Maintenance Services Tax	\$70	Authorized Unit
	Drainage Maintenance Services Tax	\$40	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	Gross Acre

"a1"

Figure D-1

City of Sacramento CFD No. 99-02

Maximum Special Tax Rates for Base Year 1999-2000 [1]

- [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, Base Year 2000-2001 for Tax Zone D, and Base Year 2001-2002 for Tax Zone E and Tax Zone F 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] Includes Northborough Phase II, a subdivision of Natomas Park.
- [7] Base Year for maximum special tax rates is FY 2001-2002.
- [8] Base Year for maximum special tax rates is FY 2000-2001.

CERTIFICATE RELATIVE TO VOTERS

**NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES
DISTRICT NO. 99-02, Annexation No. 4, CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

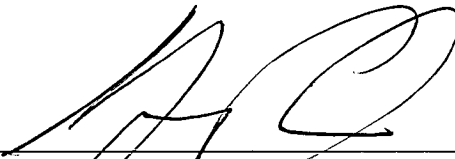
I, Gary R. Alm, hereby declare:

1. I am familiar with the boundary map of the proposed for Annexation No. 4 to the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, City of Sacramento, County of Sacramento, State of California ("CFD No. 99-02, Annexation No. 4").

2. I have prepared, from the official records of Sacramento County, a list of all property owners within CFD No. 99-02, Annexation No. 4, including the total number of acres owned within CFD No. 99-02, Annexation No. 4 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 CFD No. 99-02, Annexation No. 4, 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 CFD No. 99-02, Annexation No. 4, and based on the foregoing, I have determined that on October 2, 2001, there were no registered voters residing within CFD No. 99-02, Annexation No. 4.

I certify the foregoing to be true and correct as of October 2,
2001.



Gary R. Alm, Manager,
Development Services, Dept. of
Public Works, City of Sacramento

EXHIBIT A

NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 99-02 ANNEXATION NO. 4

County APN	Area	Owner
201-0310-017	75.47	Northpointe North LLC
201-0310-018	74.28	Northpointe North LLC
201-0310-036	22.75	Lennar Winncrest LLC
201-0310-039 (portion of)	29.04	Natomas Estates LLC
201-0310-045	0.30	Lennar Winncrest LLC
201-0310-046	0.21	Lennar Winncrest LLC
201-0310-048	7.20	Lennar Winncrest LLC
201-0320-022	157.83	Northpointe North LLC
201-0320-023	157.41	Northpointe Park LLC
201-0440-001	9.82	Lennar Winncrest LLC
201-0440-002	0.36	Lennar Winncrest LLC
201-0440-003	1.74	Lennar Winncrest LLC
201-0440-004	2.86	Lennar Winncrest LLC
201-0440-005	8.86	Lennar Winncrest LLC
201-0440-006	0.08	Lennar Winncrest LLC
201-0440-007	1.43	Lennar Winncrest LLC
201-0440-008 (portion of)	14.72	Lennar Winncrest LLC
201-0440-011 (portion of)	5.09	Lennar Winncrest LLC
201-0440-012	15.94	Lennar Winncrest LLC
201-0440-013	2.63	Lennar Winncrest LLC
201-0440-014	1.19	Lennar Winncrest LLC
201-0440-015	7.28	Lennar Winncrest LLC
201-0440-016	10.84	Lennar Winncrest LLC

NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT NO. 99-02
ANNEXATION NO. 4

<u>County APN</u>	<u>Area</u>	<u>Owner</u>
201-0440-017	8.55	Lennar Winncrest LLC
201-0440-018	1.44	Lennar Winncrest LLC
201-0440-019	0.04	Lennar Winncrest LLC
201-0440-020	10.29	Lennar Winncrest LLC
201-0440-021	12.66	Lennar Winncrest LLC
201-0440-022	0.47	Lennar Winncrest LLC
201-0440-023	0.12	Lennar Winncrest LLC
201-0440-024	3.82	Lennar Winncrest LLC
201-0440-025	10.29	Lennar Winncrest LLC
201-0440-026	16.41	Lennar Winncrest LLC
201-0440-027 (portion of)	2.07	Lennar Winncrest LLC
201-0440-028	10.18	Lennar Winncrest LLC
201-0440-029	3.96	Lennar Winncrest LLC
201-0440-030	19.48	Lennar Winncrest LLC
201-0440-031	7.78	Lennar Winncrest LLC
201-0440-032	8.37	Lennar Winncrest LLC
201-0440-033	7.92	Lennar Winncrest LLC
201-0440-034	15.60	Lennar Winncrest LLC
201-0440-035	13.90	Lennar Winncrest LLC
201-0440-036	<u>39.37</u>	Northpointe Park LLC
	800.04	

CITY OF SACRAMENTO

**AFFIDAVIT OF COMPLIANCE WITH THE
REQUIREMENTS FOR MAILING A NOTICE
OF PUBLIC HEARING ON THE RESOLUTION
OF 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**

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento;

That, pursuant to Resolution No. 2001- 659 (the "Resolution") adopted by the City Council of the City of Sacramento on October 2, 2001, she complied with the requirements for mailing a Notice of Public Hearing on the Resolution to establish Annexation No. 4 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"), as required by the Resolution, by causing a copy of such notice to be mailed on October 3, 2001, first class postage prepaid, to each property owner and to each registered voter within the boundaries of the Community Facilities District and the boundaries of the territory proposed to be annexed, and that attached hereto, marked Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of such notice in the form mailed.

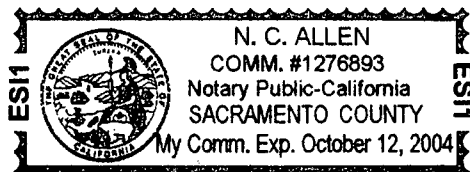


City Clerk of the City of Sacramento

Subscribed and sworn to before me
this 4th day of October, 2001.



NOTARY PUBLIC
State of California



[Notarial Seal]

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. 4)

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 2001-659 (the "Resolution") on October 2, 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. CFD formation and annual administration costs of the District.
3. 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 6th day of November,

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 (½) 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: *October 3, 2001*

Valerie A. Burrowes

VALERIE A. BURROWES
City Clerk of the City of Sacramento

**BOUNDARIES OF
NORTH NATOMAS
NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT No. 99-02
ANNEXATION NO. 4
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, CALIFORNIA

CLERK'S CERTIFICATE.

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 99-02, ANNEXATION NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2001, BY ITS RESOLUTION NO. _____

CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT.

FILED THIS _____ DAY OF _____, 2001 AT THE HOUR OF _____ O'CLOCK _____ M., IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE COUNTY OF
SACRAMENTO, CALIFORNIA

BY: _____ DEPUTY DOCUMENT NO. _____

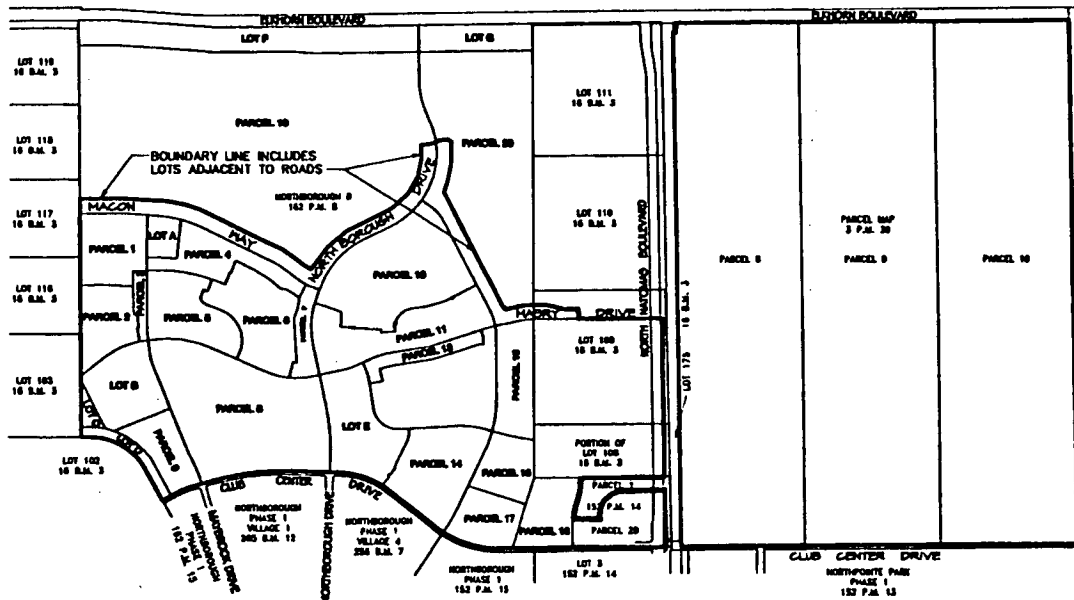


EXHIBIT A

WOOD RODGERS INC.
ENGINEERING PLANNING MAPPING SURVEYING

9301 D STREET, SUITE 100-8
SACRAMENTO, CA 95816
PHONE: (916) 941-7760

1015.033

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

Attachment 1

City of Sacramento CFD No. 99-02

Maximum Special Tax Rates

Tax Zone [1]	Subdivisions [2]	Base Year Maximum Special Tax Rate [3], [4]	Developed Residential Parcels Special Tax Calculated Per
Tax Zones at CFD Formation			
A	Natomas Park Landscape Maintenance Services Tax Drainage Maintenance Services Tax Undeveloped Land Tax [5]	\$35 \$0 \$190	Authorized Unit Authorized Unit Gross Acre
B	Natomas Crossing Landscape Maintenance Services Tax Drainage Maintenance Services Tax Undeveloped Land Tax [5]	\$45 \$0 \$0	Authorized Unit Authorized Unit Gross Acre
C	Gateway West Landscape Maintenance Services Tax Drainage Maintenance Services Tax - Gateway West North Drainage Maintenance Services Tax - other subdivisions Undeveloped Land Tax [5]	\$60 \$150 \$0 \$0	Authorized Unit Authorized Unit Authorized Unit Gross Acre
Future Annexations			
A	Annexation No. 4 Natomas Park [6] Landscape Maintenance Services Tax Drainage Maintenance Services Tax Undeveloped Land Tax [5]	\$35 \$0 \$190	Authorized Unit Authorized Unit Gross Acre
F	Annexation No. 4 Northpointe II [7] Landscape Maintenance Services Tax Drainage Maintenance Services Tax Undeveloped Land Tax [5]	\$20 \$0 \$0	Authorized Unit Authorized Unit Gross Acre
E	Annexation No. 3 Cambay West [7] Landscape Maintenance Services Tax Drainage Maintenance Services Tax Undeveloped Land Tax [5]	\$80 \$0 \$0	Authorized Unit Authorized Unit Gross Acre
A	Annexation No. 2 River View Landscape Maintenance Services Tax Drainage Maintenance Services Tax Undeveloped Land Tax [5]	\$35 \$0 \$190	Authorized Unit Authorized Unit Gross Acre
D	Annexation No. 1 Westlake [8] Landscape Maintenance Services Tax Drainage Maintenance Services Tax Undeveloped Land Tax [5]	\$70 \$40 \$0	Authorized Unit Authorized Unit Gross Acre
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	Gross Acre

"a1"

Figure D-1

City of Sacramento CFD No. 99-02

Maximum Special Tax Rates for Base Year 1999-2000 [1]

- [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, Base Year 2000-2001 for Tax Zone D, and Base Year 2001-2002 for Tax Zone E and Tax Zone F 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] Includes Northborough Phase II, a subdivision of Natomas Park.
- [7] Base Year for maximum special tax rates is FY 2001-2002.
- [8] Base Year for maximum special tax rates is FY 2000-2001.

CITY OF SACRAMENTO

**AFFIDAVIT OF COMPLIANCE WITH THE
REQUIREMENTS FOR PUBLISHING A NOTICE
OF PUBLIC HEARING ON THE RESOLUTION
OF INTENTION TO ESTABLISH THE
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY
FACILITIES DISTRICT NO. 99-02, Annexation No. 4, CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento;

That, pursuant to Resolution No. 2001- 659 (the "Resolution") adopted by the City Council of the City of Sacramento on October 2, 2001, she complied with the requirements for publishing a Notice of Public Hearing on the Resolution to establish the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, Annexation No. 4, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District"), as required by the Resolution, by causing a copy of such notice to be published in the Daily Recorder, a newspaper of general circulation published in the area of the Community Facilities District and proposed annexation, and that attached hereto, marked Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of an affidavit of publication on file in her office showing that such notice as annexed to said affidavit was duly published one time on 10/9/01, 2001.

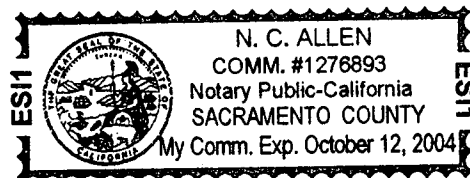


City Clerk of the City of Sacramento

Subscribed and sworn to before me
this 4th day of October, 2001.



NOTARY PUBLIC
State of California



[Notarial Seal]



Economic &
Planning Systems

*Public Finance
Real Estate Economics
Regional Economics
Land Use Policy*

FINAL HEARING REPORT FOR ANNEXATION NO. 4

NORTH NATOMAS CFD No. 99-02

Prepared for:

City of Sacramento

Prepared by:

Economic & Planning Systems, Inc.

October 31, 2001

EPS #9049

SACRAMENTO

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I. INTRODUCTION & PURPOSE

City Council adopted resolution no. 99-372 June 29, 1999. At that time, CFD No. 99-02 (the CFD) was formed with three tax zones, Tax Zone A (Natomas Park subdivisions), Tax Zone B (Natomas Crossing subdivision), and Tax Zone C (Gateway North subdivision). The rate and method of apportionment of the special tax that was adopted contains the provision for new subdivisions built within the North Natomas Finance Plan area to annex into the CFD.

ANNEXATION NO. 4 TO CFD NO 99-02

When a new subdivision annexes into the CFD, it may either annex into a tax zone which has a similar level of maintenance cost, or create a new tax zone with an appropriate tax rate to fund the required level of service. Annexation No. 4 includes the Northborough Phase II subdivision of Natomas Park that will annex into Tax Zone A. Tax Zone A encompasses multiple subdivisions within Natomas Park and Riverview (Annexation #2), a distinct separate community with similar landscape maintenance costs. Annexation No. 4 also includes the Northpointe II subdivision which will annex into the CFD as Tax Zone F. Tax Zone F will be a newly created tax zone for Northpointe II as the estimated annual landscaping services costs are projected to be lower on a per unit basis than in the currently existing Tax Zones.

This report describes Annexation No. 4 of Northborough Phase II and Northpointe II subdivisions into CFD No. 99-02 in detail in **Chapter IV**.

INTRODUCTION

The North Natomas Community Plan encompasses approximately 9,000 acres north of Interstate 80 and west of Union Pacific Railroad. Although adopted by the City of Sacramento, the Community Plan includes areas outside the City limits. The Financing Plan for the North Natomas Community Plan delineated a Finance Plan Area. Approximately 6,800 acres within the City limits have been included in the Finance Plan Area¹ for North Natomas. At buildout, the Finance Plan Area is projected to contain approximately 27,900 dwelling units and jobs for approximately 56,500 employees.

A variety of Citywide funding sources are in place to fund standard service levels of maintenance for parks, landscape corridors, bikeways, and open space. These existing funding sources include the Citywide Landscaping and Lighting District, City general

¹The Finance Plan Area of the Community Plan includes only those acres in the City of Sacramento that are participating in the North Natomas Financing Plan.

fund, utility rate base, gas tax, and CIP funds. North Natomas development will pay into these existing Citywide funding sources.

In June 1998 the North Natomas Annual Maintenance Community Facilities District (CFD No. 3) was formed to fund area-wide landscaping within the Finance Plan Area that is either unique to North Natomas or is above City standards. Features unique to North Natomas include landscape corridors along major roads, drainage canals, swale, and freeway corridors. CFD No. 3 encompasses the entire Finance Plan Area but does not provide for ongoing maintenance of landscaping within neighborhood subdivisions.

PURPOSE OF CFD NO. 99-02

The City typically uses neighborhood landscape districts to fund subdivision landscaping. Neighborhood Landscaping Community Facilities District 99-02 (CFD No. 99-02) will fund landscaping and drainage maintenance for subdivisions within the Finance Plan Area of North Natomas. **Figure 1** shows participating subdivisions at formation of the CFD.

CFD No. 99-02 will comprise two components. First, it will provide landscape maintenance for each subdivision that does not have such maintenance funding provided through a homeowners association. Second, it will also provide drainage maintenance services for subdivisions that are required to implement a lake management plan, and that do not provide such funding through a homeowners association. CFD No. 99-02 may also serve as a back-up source of funds in the event that a homeowners association fails to provide landscape maintenance or drainage maintenance.

CFD No. 99-02 provides for varying levels of landscaping in different subdivisions by assigning each subdivision into a tax zone.

ORGANIZATION OF THIS REPORT

Following this introduction, **Chapter II** describes the annual costs for maintenance services, and the calculation of the maximum special taxes. **Chapter III** discusses features of the Neighborhood Landscaping Mello-Roos CFD No. 99-02. This discussion outlines the method of calculating the special tax levy and the structure of the proposed CFD. A description of Annexations No. 4, No. 3, No. 2, and No. 1 to CFD No. 99-02 is included in **Chapter IV**.

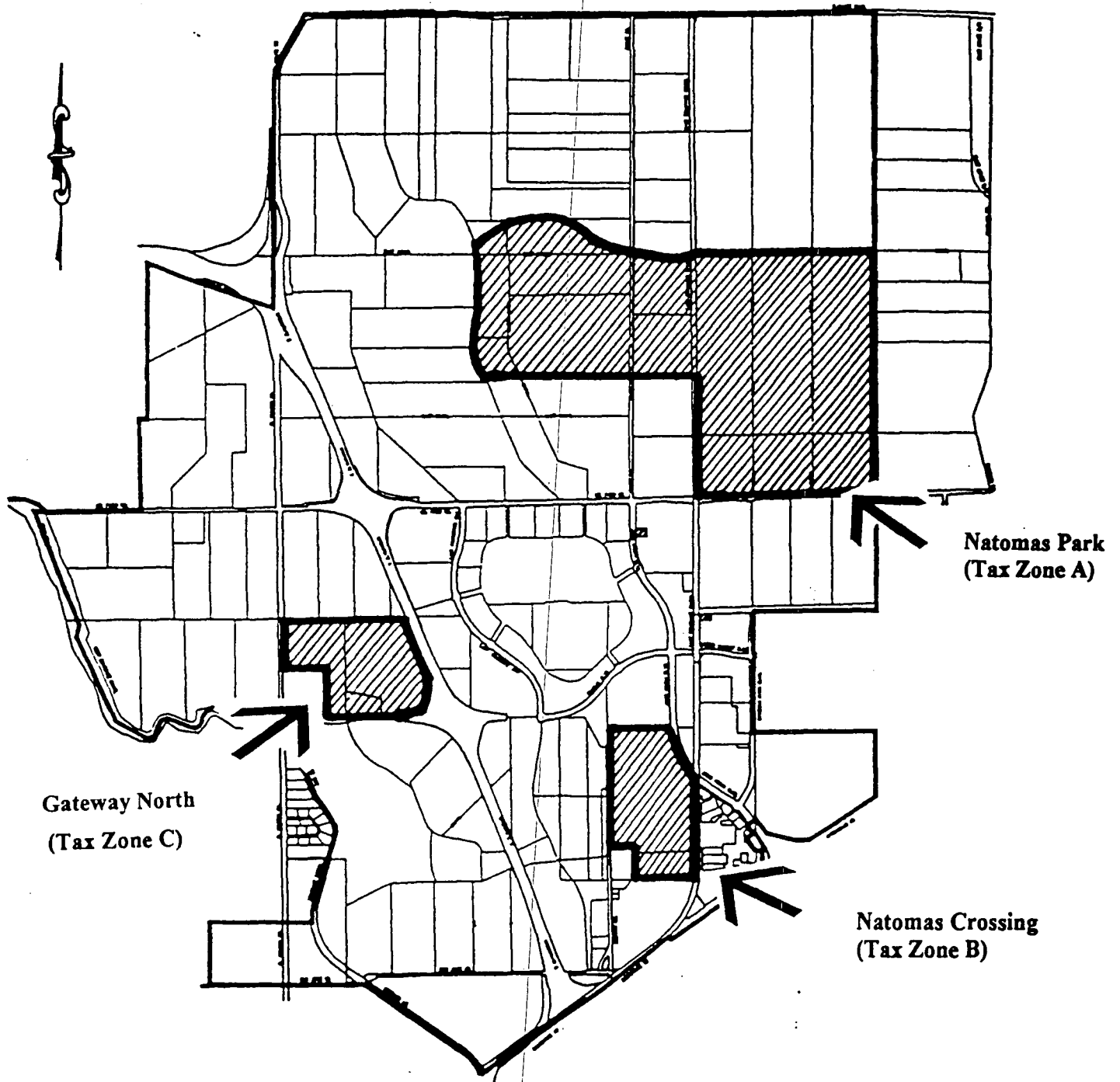
Exhibit A gives the List of Authorized Services, **Exhibit B** is the Rate and Method of Apportionment, and **Exhibit C** shows the boundary maps for subdivisions at formation

of CFD No. 99-02. **Exhibit D** is an amended Attachment 1 to the Rate and Method of Apportionment, and the Boundary Maps for annexation subdivisions, including Tax Zone F.

Economic & Planning Systems calculated the maximum annual special tax and developed the special tax formula for CFD No.99-02 in cooperation with the City of Sacramento.

Figure 1

**NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT #99-02**



II. ANNUAL MAINTENANCE COSTS

ANNUAL LANDSCAPING MAINTENANCE COSTS

Neighborhood CFD No. 99-02 will fund maintenance of landscaping improvements in residential subdivisions that do not have a homeowners association providing this service.

Three project areas are participating in the CFD at formation. Each project area has been assigned a different tax zone to reflect the varying estimates of landscaping maintenance cost in each subdivision:

- Tax Zone A includes Natomas Park, (multiple subdivisions)
- Tax Zone B includes Natomas Crossing, and
- Tax Zone C includes Gateway North.

Of these three project areas, only Natomas Park and Natomas Crossing will be levied the landscaping maximum special tax. A homeowners association will not provide funding for landscaping maintenance in these subdivisions. Funding for landscaping maintenance in Gateway North will be provided by a homeowners association. If the homeowners association fails to provide adequate levels of service and the City has to take over responsibility then Tax Zone C would be levied the landscaping maintenance maximum special tax.

ANNUAL DRAINAGE MAINTENANCE COSTS

Neighborhood CFD No. 99-02 may also fund the drainage maintenance for residential subdivisions with a lake management plan. The only subdivision with a lake management plan at the time of CFD formation is Gateway North. Funding to meet the maintenance required by the lake management plan will be provided by the homeowners association. If the homeowners association fails to provide adequate levels of service and the City has to take over responsibility then Tax Zone C would be levied the drainage maintenance maximum special tax.

SUMMARY OF ANNUAL COSTS

Annual costs are defined as the sum of landscape maintenance and drainage maintenance costs plus administrative costs and any amounts needed to cure actual or estimated delinquencies in the Special Taxes for the current or previous year. **Figure 2** below lists the proposed landscape maintenance services and the estimated annual cost at buildout in Tax Zones A and B (1999 \$).

Figure 2
Summary of Annual Costs
At Buildout in Tax Zones A and B

(rounded to 1999 \$'s hundreds)

Tax Zone A (Natomas Park) - multiple subdivisions

Landscape Maintenance [1], [3]	\$20,300
Unscheduled Maintenance [2], [3]	\$2,000
Utilities Cost (water & electric) and Contract Maintenance [3]	\$4,500
Plus 20% Contingency	\$5,400
Subtotal Landscape Maintenance Costs	\$32,200
 Administration	 \$4,700
Plus 20% Contingency	\$1,000
Total Annual Cost Tax Zone A	\$37,900

Tax Zone B (Natomas Crossing)

Landscape Maintenance [1], [3]	\$10,800
Unscheduled Maintenance [2], [3]	\$1,000
Utilities Cost (water & electric) and Contract Maintenance [3]	\$1,700
Plus 20% Contingency	\$2,700
Subtotal Landscape Maintenance Costs	\$16,200
 Administration	 \$2,400
Plus 20% Contingency	\$400
Total Annual Cost Tax Zone B	\$19,000
 TOTAL ANNUAL COST	 \$56,900

[1] Maintenance of landscaping based upon \$0.05 per square foot for 'low level' landscaping, \$0.07 per square foot for 'medium level' landscaping, and \$0.12 per square foot for 'high level' landscaping.

[2] 10% of the total maintenance budget was added for miscellaneous maintenance and landscape capital improvements/replace/repair.

[3] Includes 15% contingency.

Source: City of Sacramento and EPS.

The annual costs shown assume buildout of Natomas Park (Tax Zone A), which includes multiple subdivisions, and Natomas Crossing (Tax Zone B), which are the only project areas included in the CFD at formation to be levied the landscaping maximum special tax. Gateway North is the only subdivision subject to the drainage maintenance tax, however, funding for this service will be provided through a homeowners association.

Landscape maintenance shown in **Figure 2** includes three levels of landscaping. 'Low level' landscaping includes items such as hardscape areas, 'medium landscaping' includes items such as planters and shrub beds, and 'high level' landscaping includes items such as turf, fences, and soundwalls. **Figures 3, 4, and 5** show square feet of the varying levels of landscaping in each subdivision, as provided by the landscape architects. Cost per square foot was provided by the City of Sacramento. **Figure 5** also shows estimated annual cost for drainage maintenance in Tax Zone C.

Landscape improvements will be installed as development occurs. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City. The annual maintenance cost and supporting tax base will increase as final maps are recorded and landscaping is installed. The tax base will continue to increase as new subdivisions annex into existing tax zones or create new tax zones.

MAXIMUM SPECIAL TAX RATES

Maximum special tax rates for each tax zone were estimated by taking the estimated annual costs for a tax zone and dividing by the number of residential units planned for development within that tax zone. The maximum special tax rates are set based on the total number of units at buildout. This calculation is illustrated in **Figure 6** for tax zones A and B. Maximum special tax rates for tax zones A, B, and C are given in the Rate and Method of Apportionment in **Exhibit B**.

A total 35 percent contingency was added in each tax zone. Fifteen percent was added for each landscape maintenance service item, and 20 percent was added to both landscape maintenance and administrative costs. The overall contingency of 20 percent was added because the cost estimates are preliminary. There are few comparable areas to compare the standard of landscaping and associated costs in North Natomas subdivisions with in the City of Sacramento.

If annual costs in a tax zone are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in Section 5 of the Rate and Method of Apportionment. Any additional revenues above those required for annual cost in the first couple of years will also help pay for CFD formation costs, and to reduce taxes in the following years.

Figure 3
North Natomas Neighborhood Landscaping Service CFD No. 99-02
Estimated Landscape Maintenance Costs

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Tax Zone A
Tax Zone A - Natomas Park				
Northborough				
Shrub Beds (medium)	78,960	SF	\$0.07	\$5,527
Turf (high)	11,020	SF	\$0.12	\$1,322
Soundwall [1]	52,800	SF	\$0.12	\$6,336
Subtotal Northborough	89,980	SF		\$13,186
Northpointe				
Shrub Beds (medium)	36,320	SF	\$0.07	\$2,542
Turf (high)	9,000	SF	\$0.12	\$1,080
Soundwall [1]	7,200	SF	\$0.12	\$864
Subtotal Northpointe	45,320	SF		\$4,486
Total Estimated Cost	135,300	SF		\$17,672

"ZoneA"

[1] Soundwalls in Natomas Park subdivisions are 6 feet high.

Note: Total estimated cost does not include contingencies.

Sources: City of Sacramento and Procida Landscape.

Figure 4
North Natomas Neighborhood Landscaping Service CFD No. 99-02
Estimated Landscape Maintenance Costs

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Tax Zone B
<i>Tax Zone B - Natomas Crossing</i>				
Turf (high)	49,641	SF	\$0.12	\$5,957
Planter (medium)	22,798	SF	\$0.07	\$1,596
Hardscape (low)	147	SF	\$0.05	\$7
Fence [1]	14,400	SF	\$0.12	\$1,728
Soundwall [1]	816	SF	\$0.12	\$98
Total Estimated Cost	87,802	SF		\$9,386

"ZoneB"

[1] Fence and Soundwall converted to SF using height of 8 feet.

Note: Total estimated cost does not include contingencies.

Source: City of Sacramento and Spink Engineering.

Figure 5
North Natomas Neighborhood Landscaping Service CFD No. 99-02

Estimated Landscape Maintenance Costs

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Tax Zone C
<i>Tax Zone C - Gateway North</i>				
Turf (High)	32,338	SF	\$0.12	\$3,881
Planter (Medium)	45,562	SF	\$0.07	\$3,189
Hardscape (low)	13,922	SF	\$0.05	\$696
Soundwall [1]	28,480	SF	\$0.12	\$3,418
Total Estimated Landscaping Cost	120,302	SF		\$11,184

[1] Soundwall converted to SF using height of 8 feet.

"ZoneC"

Note: Total estimated cost does not include contingencies.

Source: City of Sacramento and Spink Engineering.

Estimated Drainage Maintenance Costs

Drainage Maintenance	Total Cost Tax Zone C
<i>Tax Zone C - Gateway North</i>	
Monitoring - sampling	\$4,000
Monitoring - laboratory analyses	\$12,000
Twice per month trash clean up	\$2,500
Plant Harvesting	\$2,500
Algae Control	\$3,600
Quarterly and Annual Reports [1]	\$2,000
Total Estimated Drainage Costs	\$26,600

[1] Assumes an annual report only.

Note: Total estimated cost does not include contingencies.

Source: Gateway West-North Lake Management Plan, February 1999.

Figure 6

North Natomas Neighborhood Landscaping Services CFD No. 99-02

Estimated Annual Landscape Maintenance Costs and Special Taxes per Unit at Subdivision Buildout

Item	Square Feet	Cost per Sq. Foot	1999\$ Estimate	15% Contingency	Total Estimate
Tax Zone A (Natomas Park)					1999\$
Low Level Landscaping	0	\$0.05	\$0	\$0	\$0
Medium Level Landscaping	115,280	\$0.07	\$8,070	\$1,210	\$9,280
High Level Landscaping	80,020	\$0.12	\$9,602	\$1,440	\$11,043
Subtotal	195,300	\$0.09	\$17,672	\$2,651	\$20,323
Unscheduled Maintenance	10% of maintenance budget		\$1,767	\$265	\$2,032
Utilities Cost & Contract Maintenance (1)	195,300	\$0.02	\$3,906	\$586	\$4,492
Subtotal Annual Maintenance Cost Tax Zone A			\$23,345	\$3,502	\$26,847
Subtotal including 20% Contingency					\$32,216
Tax Zone B (Natomas Crossing)					
Low Level Landscaping	147	\$0.05	\$7	\$1	\$8
Medium Level Landscaping	22,798	\$0.07	\$1,596	\$239	\$1,835
High Level Landscaping	64,857	\$0.12	\$7,783	\$1,167	\$8,950
Subtotal	87,802	\$0.11	\$9,386	\$1,408	\$10,794
Unscheduled Maintenance	10% of maintenance budget		\$939	\$141	\$1,079
Utilities Cost & Contract Maintenance (1)	72,439	\$0.02	\$1,449	\$217.32	\$1,666
Subtotal Annual Maintenance Cost Tax Zone B			\$11,773	\$1,766	\$13,539
Subtotal Including 20% Contingency					\$16,247
TOTAL ANNUAL MAINTENANCE COSTS					\$48,464
Plus Administration (2)					\$7,074
Tax Zone A	66.5%				\$4,702
Tax Zone A Administration including 20% Contingency					\$5,643
Tax Zone B	33.5%				\$2,372
Tax Zone B Administration including 20% Contingency					\$2,846
TOTAL ANNUAL COST					\$55,538
Tax Zone A (Natomas Park)					\$36,919
Tax Zone B (Natomas Crossing)					\$18,619
Residential Units (3)					
Tax Zone A (Natomas Park)					1,085
Tax Zone B (Natomas Crossing)					452
Estimated Annual Special tax per Unit (rounded)					
Tax Zone A (Natomas Park)					\$35
Tax Zone B (Natomas Crossing)					\$45

landscaping

(1) Square feet for medium and high landscaping only. Utilities bills include water and electricity.

(2) Includes \$2 per unit for County and \$4,000 per annum for Special Districts. Tax Zone administration cost allocated as the percentage of that Tax Zone's landscape maintenance costs of the total landscape maintenance costs.

(3) Unit counts are at buildout of subdivisions.

Sources: Landscaping square feet for Natomas Crossing provided by Spink, and Natomas Park by Procidia.

In addition to the tax rates that have been set for Tax Zones A, B, and C, a base landscaping maximum special tax and a base drainage maintenance maximum special tax have been set. These maximum special tax rates are the maximum rates that may be levied when a new subdivision or group of subdivisions creates the need for a new tax zone.

If revenue from taxing developed parcels within a tax zone at 100 percent of the maximum special tax rates is insufficient to fund annual costs for that tax zone in a given year, an undeveloped land tax may be levied per gross acre. The undeveloped land tax only applies to Tax Zone A at formation because Natomas Park is comprised of several subdivisions that will build out over a period of time.

III. DESCRIPTION OF MELLO-ROOS CFD No. 99-02

As discussed in **Chapter II**, North Natomas Mello-Roos CFD No. 99-02 will fund the annual maintenance costs required for ongoing maintenance of landscaping and drainage services for subdivisions within the CFD. This chapter describes CFD No. 99-02 by explaining the calculation of annual cost and the method to set the annual levy for each taxable parcel.

The purpose of the CFD is to fund ongoing landscape and drainage maintenance described in **Chapter II**. The list of eligible facilities and incidental expenses that the CFD is authorized to fund with special tax revenues is shown in this report in **Exhibit A**. Parcels within CFD No. 99-02 will pay an annual special tax based upon the Rate and Method of Apportionment of Special Tax shown in **Exhibit B**. The boundary map for CFD No. 99-02 is attached as **Exhibit C**.

ANNUAL COSTS TO BE FUNDED IN THE CFD

The annual cost will be determined each year by estimating the cost of ongoing maintenance and repair of facilities plus the cost of City administration. The City will apply the special tax formula included as **Exhibit B** to determine the special tax levy for each parcel. The tax formula must provide revenue to pay for the annual cost in any year. In years when less revenue is needed, the tax levy may be less than the maximum authorized rates.

CFD BOUNDARIES

Exhibit C shows the boundary map for tax zones at the formation of CFD No. 99-02. The map shows the North Natomas Finance Plan Area. The areas that are shaded are included in the CFD. Future subdivision projects may be required by the City of Sacramento to annex into the CFD prior to the initiation of development, according to City policy. Property currently within the County portion of the Community Plan Area that annexes to the City of Sacramento submitting applications to develop will also be required to annex to CFD 99-02 according to City policy.

MAXIMUM ANNUAL SPECIAL TAX ALLOCATION TO LAND USES

The special taxes will be levied upon "Developed Residential Parcels". Developed Residential Parcels are defined as parcels created by a recorded final map that permit up to 2 units per lot. The maximum special taxes will be levied per authorized unit

recorded on the final map. In addition, an undeveloped land tax may be levied in a tax zone if taxing Developed Residential Parcels at 100 percent is insufficient to cover annual costs.

Landscaping maintenance tax and drainage maintenance tax rates for the FY 1999-2000 base tax year differ by tax zone, as shown in **Figure 7**. The maximum landscaping special tax in FY 99-2000 is \$35 per authorized unit in Tax Zone A, \$45 per authorized unit in Tax Zone B, and \$60 per authorized unit in Tax Zone C. The base landscape maintenance services maximum tax is \$100 per authorized unit. The base drainage maintenance services maximum tax is \$200 per single family unit. The base tax rates refer to the maximum special taxes that can be levied for services for annexing subdivisions that create a new tax zone. Gateway North is the only participating subdivision with a requirement to maintain a lake management plan. The maximum tax to provide sufficient funding for this service in the event that the homeowners association fails to provide adequate service, is \$150 per authorized unit.

The undeveloped land tax shown in **Figure 7** is only levied if revenues from the levy of maximum special taxes on developed parcels within a tax zone is insufficient to cover annual costs within that particular tax zone. The undeveloped land tax for an annexing subdivision that creates its own tax zone is \$310 per gross acre and is based on typical density of residential subdivisions developing in North Natomas. Tax Zone A is the only tax zone at the time of formation with an undeveloped land tax. Using approximately 5 units per gross acre and the landscape maintenance special tax rate in Tax Zone A, the undeveloped land tax is \$190 per gross acre for Tax Zone A.

Tax rates may escalate each year based upon the prior calendar year annual average of the San Francisco, All Urban Consumers, Consumer Price Index (CPI-U), not to exceed 4 percent.

DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX

By June 30 of each year, the City shall prepare a list of the Parcels subject to the special tax using the records of the County assessor as of January 1 and other City development approvals. The City will tax all parcels within the CFD except tax-exempt parcels as described in Section 4 of the rate and method of apportionment.

TERMINATION OF THE SPECIAL TAX

The special tax will be levied and collected in perpetuity.

Figure 7
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
<u>Tax Zones at CFD Formation</u>			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
<u>Future Annexations</u>			
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	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, the Maximum Special Tax Rates will escalate 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.

ASSIGNMENT OF MAXIMUM SPECIAL TAX

Section 4 of the special tax formula describes in detail the precise method for assigning the maximum special tax to parcels within the CFD. The following paragraph briefly summarizes these procedures.

Each year the administrator uses the definitions contained in the special tax formula to classify each parcel as tax-exempt or taxable. After classifying the parcels, the administrator assigns the maximum annual tax using the maximum special tax rate for each taxable parcel.

The maximum annual tax shall not exceed the rates per dwelling unit in the base year (FY 1999-00), as adjusted by the annual escalation factor after the base year.

SETTING THE ANNUAL SPECIAL TAX LEVY FOR TAXABLE PARCELS

After computing the total annual cost for each tax zone, the City will then determine the levy for each taxable parcel in each tax zone. To determine the annual levy the City will use the following process described in Section 5 of the special tax formula. That process can be summarized as follows:

- First, the City determines the annual cost for landscape and drainage maintenance in each tax zone for the fiscal year.
- Second, calculate the landscape maintenance service tax by setting the tax rate for each developed parcel at 100 percent of its maximum annual special tax. If revenues are greater than annual costs, the tax is reduced proportionately against taxable parcels until the taxes are set at an amount sufficient to cover annual costs. If revenues are not sufficient to fund allocated annual cost, levy the undeveloped land tax up to 100 percent of its maximum annual special tax.
- Third, calculate the drainage maintenance service tax by setting the tax rate for each developed parcel at 100 percent of its maximum annual special tax. If revenues are greater than annual costs, the tax is reduced proportionately against taxable parcels until the taxes are set at an amount sufficient to cover annual costs.
- Fourth, sum the landscape maintenance services tax and the drainage maintenance services tax to determine the special tax levy for each taxable parcel in each tax zone.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as ad valorem property taxes.

IV. SUMMARY OF ANNEXATIONS

This chapter is an additional chapter to the Final Hearing Report that was prepared June 21, 1999. It describes proposed and adopted annexations to CFD No. 99-02.

ANNEXATION NO. 4 NORTHBOROUGH PHASE II AND NORTHPOINTE II

The Northborough Phase II and Northpointe II subdivisions comprise the fourth proposed annexation into CFD No. 99-02. Northborough Phase II is a subdivision of Natomas Park located north of Club Center Drive and west of Natomas Boulevard. Northpointe II lies north of Club Center Drive and south of Elkhorn Boulevard, to the east of Natomas Boulevard. It is bounded by the City limits to the north and east. The proposed annexation areas are shown in **Figure 8**.

Northborough Phase II will annex into Tax Zone A as it is a subdivision of Natomas Park. The maximum annual special tax calculated for Northborough Phase II in this chapter is lower than the rest of Natomas Park, however, the levy of the maximum annual special tax is the same throughout Tax Zone A. Depending on the annual costs of the CFD, the inclusion of Northborough Phase II in Tax Zone A may result in lower annual special taxes levied across all residences within that tax zone.

Northpointe II will annex into the CFD as a new tax zone. Tax Zone F will be a newly created tax zone for Northpointe II as its annual special tax, calculated in this chapter, is not closely related to that of any currently existing tax zone.

SUMMARY OF ANNUAL COST

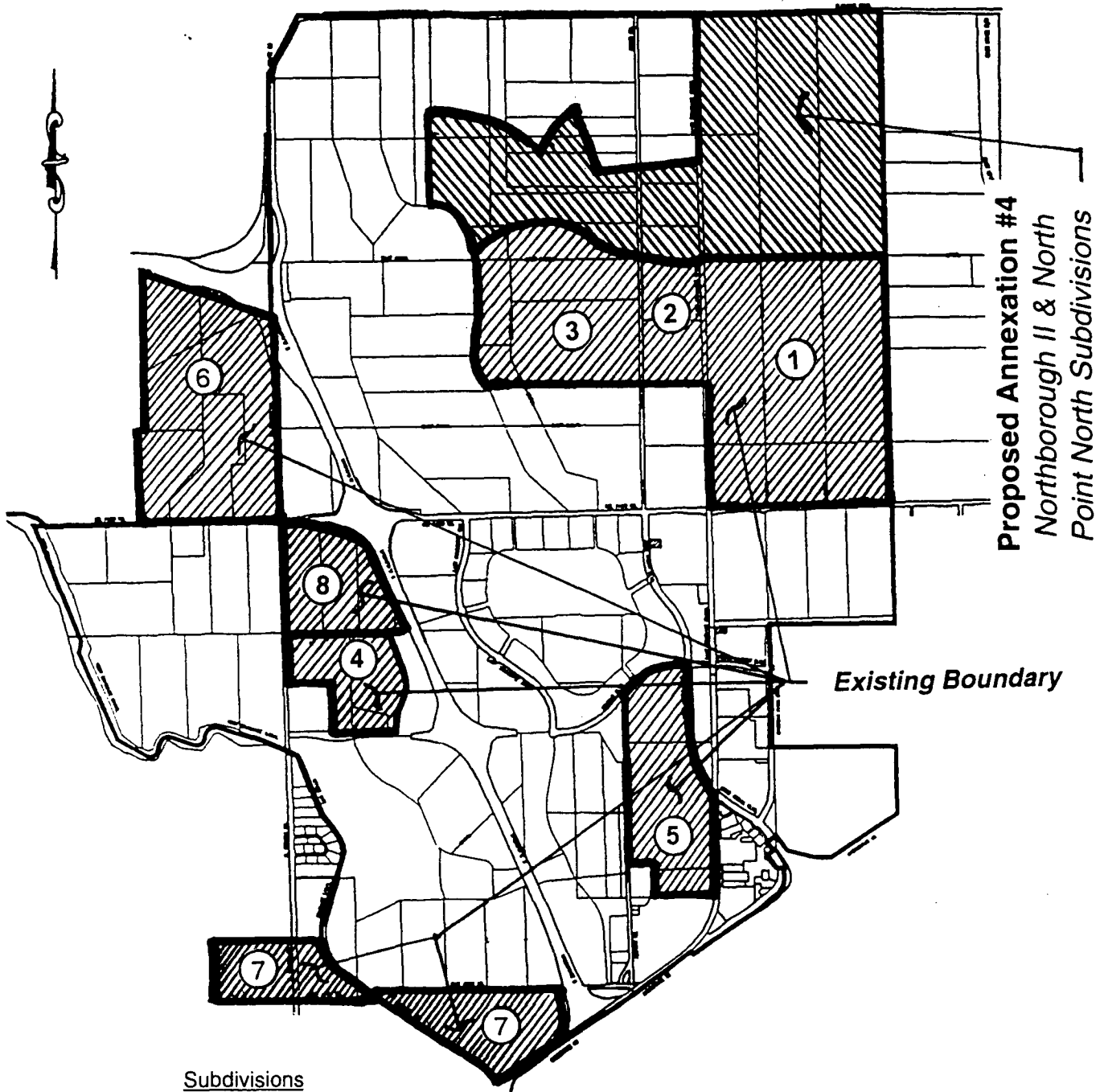
Estimated landscape maintenance square footage was provided by The HLA Group for both the Northborough Phase II and Northpointe II subdivisions. Cost per square foot was inflated to 2001 dollars from previous City of Sacramento cost estimates. Landscape maintenance costs include costs for different categories of landscaping such as turf, planters, hardscape, and soundwalls. Total landscape square footage, cost per square foot for Northborough Phase II and Northpointe II, and total annual maintenance costs excluding contingency and administration costs are listed in **Figure 9**.

Landscape improvements will be installed as development occurs. All street frontage along single family homesites is currently included in the estimate. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City.

Figure 8 – Annexation Map

Figure 8
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT #99-02

AREA OF SERVICES



Subdivisions

- | | | | | | |
|---|---|------------------|---|---|-------------|
| ① | = | Northpoint | ⑧ | = | Cambay West |
| ② | = | Parkway Plaza | | | |
| ③ | = | Northborough I | | | |
| ④ | = | Gateway North | | | |
| ⑤ | = | Natomas Crossing | | | |
| ⑥ | = | Westborough | | | |
| ⑦ | = | Riverview | | | |

Figure 9
Annexation Number 4 to North Natomas CFD No. 99-02
Estimated Landscape Maintenance Costs

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost
<u>Northborough Phase II (Natomas Park)</u>				
Turf (High)	17,657	SF	\$0.13	\$2,383
Planter (Medium)	52,972	SF	\$0.08	\$4,171
Hardscape (Low)	4,500	SF	\$0.06	\$253
Subtotal Northborough Phase II	75,129			\$6,808
<u>Northpointe II</u>				
Turf (High)	33,075	SF	\$0.13	\$4,465
Planter (Medium)	57,525	SF	\$0.08	\$4,530
Hardscape (Low)	54,000	SF	\$0.06	\$3,037
Soundwall [1]	26,100	SF	\$0.13	\$3,523
Subtotal Northpointe II	170,700			\$15,554

"north costs"

Source: City of Sacramento, The HLA Group.

[1] Soundwall converted to SF using height of 6 feet.

Note: Total estimated cost does not include contingencies in this figure.

CFD Annual Cost includes contingency for unscheduled maintenance and utilities cost and is estimated in **Figure 10**. Administration cost is allocated among the subdivisions by their share of annual maintenance costs and is calculated in **Figure 11**.

MAXIMUM SPECIAL TAX RATES

Northborough Phase II

The maximum special tax rate for landscaping services in Northborough Phase II was estimated by taking the estimated annual cost for Northborough Phase II and dividing by the number of residential units planned for development within the neighborhood. There are 1,297 single-family units planned for this subdivision. The calculation of maximum special tax rates is shown in **Figure 12**.

The cost per unit for Northborough Phase II is \$15, lower than the other subdivisions in Natomas Park. However, because Northborough Phase II is a subdivision of Natomas Park, it will annex into Tax Zone A and its maximum annual special tax will be set at the same rate as other subdivisions in Natomas Park.

If annual costs are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in Section 5 of the Rate and Method of Apportionment. As a result, all residences within Tax Zone A would be levied a special tax lower than the maximum special tax for that tax zone.

Northpointe II

The maximum special tax rate for landscaping services in Northpointe II was estimated by taking the estimated annual cost for Northpointe II and dividing by the number of residential units planned for development within the neighborhood. The maximum special tax rates are set based on the total number of units planned at buildout. There are 2,106 single-family units planned for this subdivision. The calculation of maximum special tax rates is shown in **Figure 12**.

The maximum special tax rate for landscaping maintenance services for Northpointe II in fiscal year 2001-2002 is \$20. As the Northpointe II subdivision maximum special tax does not closely match that of the existing Tax Zones, it is proposed that Northpointe II annex as a new Tax Zone, Tax Zone F.

If annual costs are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in Section 5 of the Rate and Method of Apportionment.

Figure 10
North Natomas Neighborhood Landscaping Services CFD No. 99-02
Estimated Annual Landscape Maintenance Costs at Subdivision Buildout

page 1 of 2

Item	Square Feet	Cost per Square Foot	2001\$ Estimate	15% Contingency	Total Cost Estimate
<u>TAX ZONE A</u>					2001\$
Natomas Park					
Low Level Landscaping	0	\$0.06	\$0	\$0	\$0
Medium Level Landscaping	115,280	\$0.08	\$9,077	\$1,362	\$10,439
High Level Landscaping	80,020	\$0.13	\$10,801	\$1,620	\$12,422
Subtotal	195,300		\$19,879	\$2,982	\$22,860
Unscheduled Maintenance	10% of maintenance budget		\$1,988	\$298	\$2,286
Utilities Cost & Contract Maintenance [1]	195,300	\$0.02	\$4,394	\$659	\$5,053
Subtotal Annual Maintenance Cost Natomas Park			\$26,260	\$3,939	\$30,199
Subtotal including 20% Contingency					\$36,239
River View					
High Level Landscaping [2]	63,316	\$0.13	\$8,547	\$1,282	\$9,829
Subtotal	63,316		\$8,547	\$1,282	\$9,829
Unscheduled Maintenance	10% of maintenance budget		\$855	\$128	\$983
Utilities Cost & Contract Maintenance [1]	59,233	\$0.02	\$1,333	\$200	\$1,532
Subtotal Annual Maintenance Cost River View			\$10,734	\$1,610	\$12,344
Subtotal Including 20% Contingency					\$14,813
Northborough Phase II (Natomas Park)					
Low Level Landscaping	4,500	\$0.06	\$253	\$38	\$291
Medium Level Landscaping	52,972	\$0.08	\$4,171	\$626	\$4,797
High Level Landscaping	17,657	\$0.13	\$2,383	\$358	\$2,741
Subtotal	75,129		\$6,808	\$1,021	\$7,829
Unscheduled Maintenance	10% of maintenance budget		\$681	\$102	\$783
Utilities Cost & Contract Maintenance [1]	70,629	\$0.02	\$1,589	\$238	\$1,827
Subtotal Annual Maintenance Cost					\$10,439
Subtotal including 20% Contingency					\$12,527

Figure 10
North Natomas Neighborhood Landscaping Services CFD No. 99-02
Estimated Annual Landscape Maintenance Costs at Subdivision Buildout

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Item	Square Feet	Cost per Square Foot	2001\$ Estimate	15% Contingency	Total Cost Estimate
<u>TAX ZONE B</u>					
Natomas Crossing					
Low Level Landscaping	147	\$0.06	\$8	\$1	\$10
Medium Level Landscaping	22,798	\$0.08	\$1,795	\$269	\$2,064
High Level Landscaping	64,857	\$0.13	\$8,755	\$1,313	\$10,068
Subtotal	87,802		\$10,558	\$1,584	\$12,142
Unscheduled Maintenance	10% of maintenance budget		\$1,056	\$158	\$1,214
Utilities Cost & Contract Maintenance [1]	72,439	\$0.02	\$1,630	\$244.45	\$1,874
Subtotal Annual Maintenance Cost Tax Zone B			\$13,244	\$1,987	\$15,230
Subtotal Including 20% Contingency					\$18,276
<u>TAX ZONE E</u>					
Cambay West					
Low Level Landscaping	13,700	\$0.06	\$771	\$116	\$886
Medium Level Landscaping	73,600	\$0.08	\$5,795	\$869	\$6,665
High Level Landscaping	38,500	\$0.13	\$5,197	\$780	\$5,976
Subtotal	125,800		\$11,763	\$1,764	\$13,527
Unscheduled Maintenance	10% of maintenance budget		\$1,176	\$176	\$1,353
Utilities Cost & Contract Maintenance [1]	77,500	\$0.02	\$1,744	\$262	\$2,005
Subtotal Cambay West			\$14,683	\$2,202	\$16,885
Subtotal Including 20% Contingency					\$20,262
<u>TAX ZONE F</u>					
Northpointe II					
Low Level Landscaping	54,000	\$0.06	\$3,037	\$456	\$3,493
Medium Level Landscaping	57,525	\$0.08	\$4,530	\$679	\$5,209
High Level Landscaping	59,175	\$0.13	\$7,988	\$1,198	\$9,186
Subtotal	170,700		\$15,554	\$2,333	\$17,887
Unscheduled Maintenance	10% of maintenance budget		\$1,555	\$233	\$1,789
Utilities Cost & Contract Maintenance [1]	90,600	\$0.02	\$2,038	\$306	\$2,344
Subtotal Annual Maintenance Cost					\$22,020
Subtotal including 20% Contingency					\$26,424
TOTAL ANNUAL MAINTENANCE COSTS					\$128,541

"annual cost 4"

Sources: Landscaping square feet for Natomas Crossing provided by Spink, Natomas Park by Procida, River View by River West Developments, Cambay West by Carter & Burgess, and Northpointe II and Northborough Phase II by The HLA Group.

[1] Square feet for medium and high landscaping only. Utilities bills include water and electricity.

[2] May include planter (medium) and hardscape (low) landscape features.

Figure 11
North Natomas Neighborhood Landscaping Service CFD No. 99-02
Estimated Administration Costs at Subdivision Buildout

Subdivision	Annual Cost	Percent of Total	Administration Cost [1]	Total Annual Cost
<u>TAX ZONE A</u>				
Natomas Park	\$36,239	28.2%	\$4,330	\$40,569
River View	\$14,813	11.5%	\$1,770	\$16,583
Northborough Phase II (Natomas Park)	\$12,527	9.7%	\$1,497	\$14,023
<u>TAX ZONE B</u>				
Natomas Crossing	\$18,276	14.2%	\$2,184	\$20,460
<u>TAX ZONE E</u>				
Cambay West	\$20,262	15.8%	\$2,421	\$22,683
<u>TAX ZONE F</u>				
Northpointe II	\$26,424	20.6%	\$3,157	\$29,581
TOTAL	\$128,541		\$15,358	\$143,899

admin cost 4

[1] Includes \$2 per unit for County and \$4,000 per annum for Special Districts. Tax Zone administration costs allocated as the percentage of that Tax Zone's landscape maintenance costs of the total landscape maintenance costs.

Figure 12
North Natomas Neighborhood Landscaping Services CFD No. 99-02
Estimated Annual Special Taxes per Unit at Subdivision Buildout

Item	Total Estimate
	2001\$
TOTAL ANNUAL COST	\$143,899
Tax Zone A (Natomas Park, River View)	\$57,200
Tax Zone B (Natomas Crossing)	\$20,500
Tax Zone E (Cambay West)	\$22,700
Northborough Phase II (Natomas Park)	\$14,000
Tax Zone F (Northpointe II)	\$29,600
Residential Units [1]	
Tax Zone A (Natomas Park, River View)	1,524
Tax Zone B (Natomas Crossing)	452
Tax Zone E (Cambay West) [2]	300
Northborough Phase II (Natomas Park)	1,297
Tax Zone F (Northpointe II)	2,106
Estimated Annual Special Tax per Unit (rounded)	
Tax Zone A (Natomas Park, River View)	\$38
Tax Zone B (Natomas Crossing)	\$48
Tax Zone E (Cambay West)	\$79
Northborough Phase II (Natomas Park)	\$15
Tax Zone F (Northpointe II)	\$20

"max tax 4"

[1] Unit counts are at buildout of subdivisions.

[2] Includes 210 planned LDR units and 90 estimated MDR units;
MDR units estimated using 10 units per acre.

Sources: City of Sacramento, Lennar Communities, Spink, River West Developments,
and Carter & Burgess

ANNEXATION NO. 3 CAMBAY WEST

Cambay West subdivision was the third subdivision to annex into CFD No. 99-02. This residential subdivision is located west of Interstate 5, between Del Paso Road, El Centro Road, and the future Snowy Egret Boulevard. The annexation area is illustrated in **Figure 8**.

A new Tax Zone, Tax Zone E, was created for Cambay West as the maintenance costs for landscaping did not closely match those of Tax Zones A, B, C, or D.

SUMMARY OF ANNUAL COST

Estimated landscape maintenance square footage was provided by Carter & Burgess. Cost per square foot was inflated to 2001 dollars from previous City of Sacramento cost estimates. Landscape maintenance costs include costs for different categories of landscaping such as turf, planters, hardscape, and soundwalls. Total landscape square footage, cost per square foot for Cambay West, and total annual maintenance costs excluding contingency and administration costs are listed in **Figure 13**.

Landscape improvements will be installed as development occurs. All street frontage along single family homesites is currently included in the estimate. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City.

CFD Annual Cost includes contingency for unscheduled maintenance, utilities cost, and administration cost. Administration cost is allocated among the subdivisions by their share of annual maintenance costs.

MAXIMUM SPECIAL TAX RATES

The maximum special tax rate for landscaping services in Cambay West was estimated by taking the estimated annual cost for Cambay West and dividing by the number of residential units planned for development within the neighborhood. The maximum special tax rates are set based on the total number of units planned at buildout. There are 210 planned low-density single family units and 90 estimated medium-density units, a total of 300 single family units.

If annual costs are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in section 5 of the Rate and Method of Apportionment.

Figure 13
Annexation Number 3 to North Natomas CFD No. 99-02

Estimated Landscape Maintenance Costs - Cambay West

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Cambay West
Turf (High)	3,900	SF	\$0.13	\$526
Planter (Medium)	73,600	SF	\$0.08	\$5,795
Hardscape (Low)	13,700	SF	\$0.06	\$771
Soundwall [1]	28,200	SF	\$0.13	\$3,807
Soundwall (along El Centro Rd)	6,400	SF	\$0.13	\$864
Total Estimated Landscaping Costs	125,800			\$11,763

"cambay_cost"

[1] Soundwall converted to SF using height of 6 feet.

Note: Total estimated cost does not include contingencies in this figure.

Source: City of Sacramento and Carter & Burgess

The maximum special tax rate for landscaping maintenance services for Cambay West in fiscal year 2001-2002 is \$77. As the Cambay West subdivision maximum special tax did not closely match that of the existing Tax Zones, therefore, Cambay West annexed as a new Tax Zone, Tax Zone E.

ANNEXATION NO. 2 RIVER VIEW

River View subdivision annexed into CFD No. 99-02 in March of 2000. This residential subdivision is divided into two areas. The first area is located west of Interstate 5, between San Juan Road, Interstate 80, and Orchard Lane. The second area is located west of Witter Way, between San Juan Road and Radio Road. The annexed area is shown in **Figure 8**.

River View annexed into Tax Zone A, as the cost of annual landscape maintenance within the subdivision is similar to Natomas Park. The City will levy up to the maximum special tax for Tax Zone A annually for landscaping maintenance. This tax may be levied into perpetuity.

SUMMARY OF ANNUAL COST

Estimated landscape maintenance square footage was provided by the developer. Cost per square foot was provided by the City of Sacramento. Landscape maintenance costs include costs for different categories of landscaping including turf and trees, planters, hardscape, and soundwalls. Total landscape square footage for each village, cost per square foot, and total annual maintenance costs excluding contingency and administration costs are listed in **Figure 14**.

Landscape improvements will be installed as development occurs. All street frontage along single family homesites, and open space maintenance is currently included in the estimate. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City.

CFD Annual Cost includes contingency for unscheduled maintenance, utilities cost, and administration cost. Administration cost is divided among the subdivisions by their share of annual maintenance costs.

MAXIMUM SPECIAL TAX RATES

The maximum special tax rate for landscaping services in River View was estimated by taking the estimated annual cost for River View and dividing by the number of residential units planned for development within the neighborhood. The maximum special tax rates are set based on the total number of units planned at buildout. There are 439 single family units planned.

Figure 14
Annexation Number 2 to North Natomas CFD No. 99-02

Estimated Landscape Maintenance Costs - River View

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost River View
<u>Village 1A</u>				
Turf and Trees (High) [1]	16,727	SF	\$0.13	\$2,171
Soundwall (High) [2]	321	SF	\$0.13	\$42
Subtotal Village 1A	17,048			\$2,213
<u>Village 1B</u>				
Turf and Trees (High) [1]	3,125	SF	\$0.13	\$406
Soundwall (High) [2]	1,260	SF	\$0.13	\$164
Subtotal Village 1B	4,385			\$569
<u>Village 4A</u>				
Turf and Trees (High) [1]	26,584	SF	\$0.13	\$3,450
Soundwall (High) [2]	1,940	SF	\$0.13	\$252
Subtotal Village 4A	28,524			\$3,702
<u>Village 4B</u>				
Turf and Trees (High) [1]	6,147	SF	\$0.13	\$798
Soundwall (High) [2]	562	SF	\$0.13	\$73
Subtotal Village 4B	6,709			\$871
<u>San Juan Road</u>				
Turf and Trees (High) [1]	6,650	SF	\$0.13	\$863
Soundwall (High) [2], [3]	-	SF	\$0.13	-
Subtotal San Juan Road	6,650			\$863
Total Estimated Landscaping Costs				\$8,218

"RiverView cost"

[1] May include planters and hardscape features such as cobblestone areas.

[2] Soundwall converted to SF using height of 6 feet.

[3] Soundwall maintenance costs for San Juan Road are included in the soundwall costs for Villages 1A, 1B, 4A, and 4B.

Note: Total estimated cost does not include contingencies in this figure.

Source: City of Sacramento and River West Development.

If annual costs are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in section 5 of the Rate and Method of Apportionment.

The maximum special tax rate for landscaping maintenance services for Tax Zone A in fiscal year 2001-2002 is \$36. As the River View subdivision maximum special tax is approximately \$39 per unit, it is proposed River View annex into the existing Tax Zone A.

ANNEXATION NO. 1 WESTLAKE

Annexation No. 1 annexed the Westlake subdivision in June 2000. A new Tax Zone, Tax Zone D, was created at the time Westlake annexed, as the maintenance costs for landscaping and drainage did not closely match those in either Tax Zone A, Tax Zone B, or Tax Zone C.

Westlake subdivision will have a homeowners association to provide landscaping and drainage services; however, maximum special taxes have been set and may be levied against such property. The City will levy the maximum special taxes if the homeowners association fails to provide adequate levels of service, and the City has to take over responsibility of servicing the area.

SUMMARY OF ANNUAL COSTS

Estimated landscape maintenance square footage was provided by the developer. Cost per square foot was provided by the City of Sacramento. Landscape maintenance costs include costs for different categories of landscaping including turf and trees, planters, hardscape, soundwalls and fences, and stamped asphalt maintenance. Maintenance costs for the entry monument on B Street are included in the contingency. Total landscape square footage for each village, cost per square foot, and total annual maintenance costs are listed in Figure 15.

Figure 16 shows total estimated annual drainage maintenance costs from the Westborough Lake management Plan prepared by Perry Lake Management. Landscape improvements will be installed as development occurs. All street frontage along single family homesites, and open space maintenance is currently included in the estimate. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City.

Figure 15
Annexation Number 1 to North Natomas CFD No. 99-02

Estimated Landscape Maintenance Costs - Tax Zone D

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Tax Zone D
Village 1 [4]				
Turf and Trees (High)	12,913	SF	\$0.12	\$1,550
Planter (Medium)	23,658	SF	\$0.07	\$1,656
Hardscape (low)	7,329	SF	\$0.05	\$366
Soundwall [1]	12,000	SF	\$0.12	\$1,440
Subtotal Village 1	55,900			\$5,012
Village 2 [4]				
Turf (High)	2,740	SF	\$0.12	\$329
Planter (Medium)	16,660	SF	\$0.07	\$1,166
Subtotal Village 2	19,400			\$1,495
Village 3 [4]				
Turf (High)	40,064	SF	\$0.12	\$4,808
Planter (Medium)	66,453	SF	\$0.07	\$4,652
Hardscape (low)	27,604	SF	\$0.05	\$1,380
Subtotal Village 3	134,120			\$10,839
Village 4 [4]				
Turf (High)	3,000	SF	\$0.12	\$360
Planter (Medium)	5,000	SF	\$0.07	\$350
Hardscape (low)	2,000	SF	\$0.05	\$100
Soundwall [1]	12,000	SF	\$0.12	\$1,440
Subtotal Village 4	22,000			\$2,250
Village 5 [4]				
Turf (High)	11,915	SF	\$0.12	\$1,430
Planter (Medium)	17,162	SF	\$0.07	\$1,201
Hardscape (low)	10,222	SF	\$0.05	\$511
Soundwall [1]	10,800	SF	\$0.12	\$1,296
Subtotal Village 5	50,100			\$4,438
Village 6 [4]				
Turf (High)	44,674	SF	\$0.12	\$5,361
Planter (Medium)	65,770	SF	\$0.07	\$4,604
Hardscape (low)	32,996	SF	\$0.05	\$1,650
Soundwall [1]	17,400	SF	\$0.12	\$2,088
Subtotal Village 6	160,840			\$13,703
El Centro Road				
Turf (High)	16,175	SF	\$0.12	\$1,941
Planter (Medium)	40,685	SF	\$0.07	\$2,848
Hardscape (low)	7,840	SF	\$0.05	\$392
Soundwall [1]	17,100	SF	\$0.12	\$2,052
Subtotal El Centro Road	81,800			\$7,233
Stamped Asphalt [2]	10,000	SF	\$4.65	\$4,650
B Street Entry Monument [3]	n.a. - included in contingency			\$0
Total Estimated Landscaping Costs				\$49,620

"Zone D"

[1] Soundwall converted to SF using height of 6 feet.

[2] Cost per square foot for restamping and recoloring over 10 years. Annual cost averaged.

[3] Entry monument costs \$400,000 to construct. Future repair costs are included in contingency.

[4] Village cost estimates include frontage costs for landscaping along A Street and open space corridors.

Note: Total estimated cost does not include contingencies in this figure.

Source: City of Sacramento and Lennar Communities.

Figure 16
Annexation Number 1 to North Natomas CFD No. 99-02

Estimated Drainage Maintenance Costs - Tax Zone D

Drainage Maintenance	Total Cost Tax Zone D
Monitoring - sampling	\$4,000
Monitoring - laboratory analyses	\$12,000
Twice per month trash clean up	\$2,500
Algae Control	\$3,600
Quarterly and Annual Reports [1]	\$2,000
Total Estimated Drainage Costs	\$24,100

"Zone D drainage"

[1] Assumes an annual report only.

Note: Total estimated cost does not include contingencies.

Source: Lennar Communities, March 2000.

MAXIMUM SPECIAL TAX RATES

The maximum special tax rates for landscaping and drainage services were estimated by taking the estimated annual costs for Tax Zone D and dividing by the number of residential units planned for development within Tax Zone D. The maximum special tax rates are set based on the total number of units planned at buildout. There are 709 low density and 197 medium density single family units planned for the subdivision. Both low density and medium density housing will be part of the homeowners association and will share in the costs of maintenance. The calculation of maximum special tax rates is shown in Figure 17.

A total 35 percent contingency was added to total landscape and drainage costs. If annual costs are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in section 5 of the Rate and Method of Apportionment.

The maximum special tax rates for landscaping and drainage services will be \$0 in the Westlake subdivision so long as these services are provided adequately by the homeowners association. If the City has to provide these services in the future, the following maximum special tax rates will be levied:

- Landscape maintenance services maximum special tax \$70 per residential unit
- Drainage maintenance services maximum special tax \$40 per residential unit

The maximum special tax rates shown in Figure 17 are for the Base Year, which is Fiscal Year 2000-2001. Maximum special tax rates may be adjusted in the future using the Tax Escalation Factor, as defined in the Rate and Method of Apportionment.

Figure 17
Annexation Number 1 to North Natomas CFD No. 99-02

Base Year Maximum Special Taxes for Tax Zone D (Westlake)

Landscaping and Drainage Maintenance	Tax Zone D (Westlake)
Landscaping Maintenance Costs plus Landscaping Contingency 35% Total Landscaping Maintenance Costs	\$49,600 \$17,400 \$67,000
Drainage Maintenance Costs plus Drainage Contingency 35% Total Drainage Maintenance Costs	\$24,100 \$8,400 \$32,500
Total Residential Units	906
Maximum Special Tax per Unit	Fiscal Year 2000-01
Landscape Maintenance Services Tax	\$70
Drainage Maintenance Services Tax	\$40

"max tax 1"



Economic &
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Public Finance
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Regional Economics
Land Use Policy

EXHIBITS:

EXHIBIT A - LIST OF AUTHORIZED SERVICES

EXHIBIT B - RATE AND METHOD OF APPORTIONMENT

EXHIBIT C - BOUNDARY MAP

EXHIBIT D - ANNEXATION NOS. 1, 2, 3, AND 4
MAXIMUM SPECIAL TAXES AND
BOUNDARY MAPS



Economic &
Planning Systems

Public Finance

Real-Estate Economics

Regional Economics

Land Use Policy

EXHIBIT A:
LIST OF AUTHORIZED SERVICES

Exhibit A

North Natomas Neighborhood Landscaping CFD No. 99-02 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 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.



Economic &
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Land Use Policy

EXHIBIT B:

RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX

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.

Attachment 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
<u>Tax Zones at CFD Formation</u>			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
<u>Future Annexations</u>			
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	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, the Maximum Special Tax Rates will escalate 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.



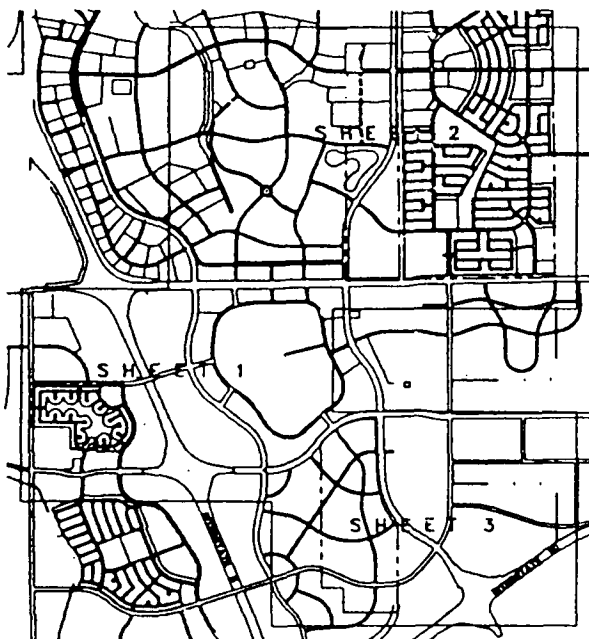
Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

EXHIBIT C: BOUNDARY MAP

INDEX MAP

SCALE: 1" = 2000'

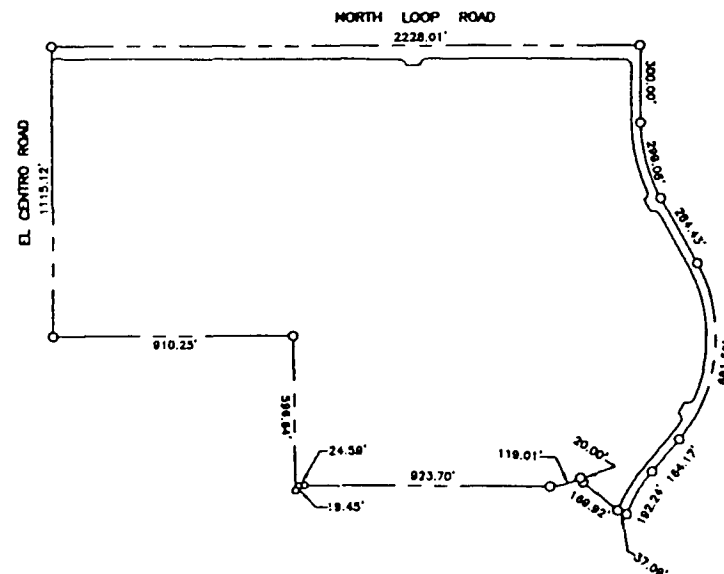


PROPOSED BOUNDARIES OF
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT (CDF) NO 99-02
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

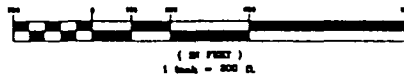
The Splink Corporation
SHEET 1 OF 3 SHEETS

LEGEND:

DISTRICT BOUNDARY - - - - -



GRAPHIC SCALE



CLERK'S FILING STATEMENT AND MAP CERTIFICATE

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS ____ DAY OF ____
19__

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES
OF NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES
DISTRICT (CDF) NO. 99-02, CITY OF SACRAMENTO, STATE OF CALIFORNIA WAS
APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING
THEREOF HELD ON THE ____ DAY OF ____ 19__ BY ITS RESOLUTION
NO. ____

VALARIE BURROWES
CITY CLERK, CITY OF SACRAMENTO

COUNTY RECORDER'S FILING STATEMENT

FILED THIS ____ DAY OF ____ 19__, AT THE HOUR OF ____ O'CLOCK
P.M. IN BOOK ____ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY
FACILITIES DISTRICTS AT PAGE ____ IN THE OFFICE OF THE COUNTY
RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE COUNTY
OF SACRAMENTO COUNTY

BY _____

PROPOSED BOUNDARIES OF NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT (CDF) NO. 99-02

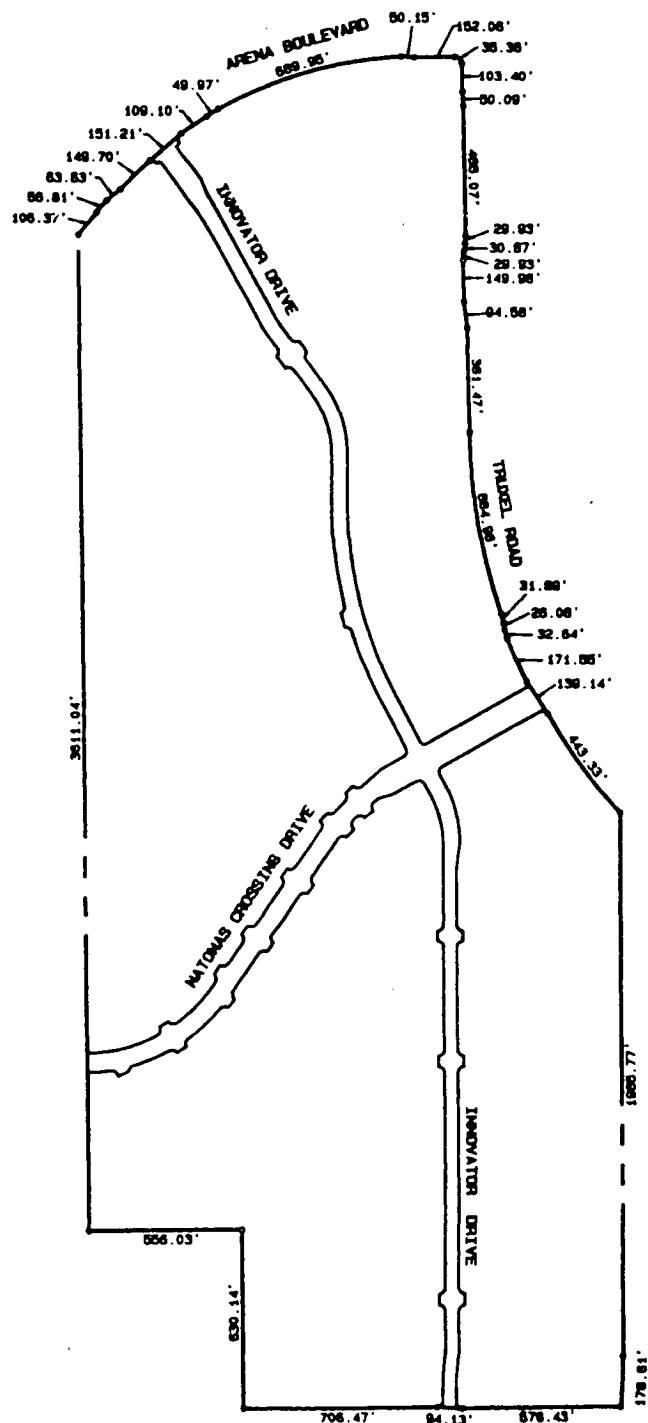
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SCALE: 1"=200' 1000

The ~~Graphic~~ Corporation
SHEET 3 OF 3 SHEETS

LEGEND:

DISTRICT BOUNDARY -----





Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

EXHIBIT D:

ANNEXATION NOS. 1, 2, 3, AND 4 MAXIMUM SPECIAL
TAXES AND BOUNDARY MAPS.

Figure D-1
City of Sacramento CFD No. 99-02
Maximum Special Tax Rates

page 1 of 2

Tax Zone [1]	Subdivisions [2]	Base Year Maximum Special Tax Rate [3], [4]	Developed Residential Parcels Special Tax Calculated Per
<u>Tax Zones at CFD Formation</u>			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
<u>Future Annexations</u>			
A	Annexation No. 4 Natomas Park [6]		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
F	Annexation No. 4 Northpointe II [7]		
	Landscape Maintenance Services Tax	\$20	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
E	Annexation No. 3 Cambay West [7]		
	Landscape Maintenance Services Tax	\$80	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
A	Annexation No. 2 River View		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
D	Annexation No. 1 Westlake [8]		
	Landscape Maintenance Services Tax	\$70	Authorized Unit
	Drainage Maintenance Services Tax	\$40	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	Gross Acre

"a1"

Figure D-1

City of Sacramento CFD No. 99-02

page 2 of 2

Maximum Special Tax Rates for Base Year 1999-2000 [1]

- [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, Base Year 2000-2001 for Tax Zone D, and Base Year 2001-2002 for Tax Zone E and Tax Zone F 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] Includes Northborough Phase II, a subdivision of Natomas Park.
- [7] Base Year for maximum special tax rates is FY 2001-2002.
- [8] Base Year for maximum special tax rates is FY 2000-2001.

2 CITY OF SACRAMENTO
NORTH NATOMAS
NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT No. 99-02
ANNEXATION NO. 1
SACRAMENTO, CALIFORNIA
SHEET 1 OF 1 SHEETS

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF
SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.
THIS 13th DAY OF April, 2000.

Niraj K. Kulkarni
CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES -
OF WESTLAKE COMMUNITY FACILITIES DISTRICT NO. 2000-01, CITY
OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA,
WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO
AT A MEETING THEREOF HELD ON THE 13th DAY OF April
2000 BY IT'S RESOLUTION NO. 2000-148

Assistant Clerk, City of Sacramento, California

FILED THIS 12TH DAY OF Dec. 2000 AT THE HOUR
OF 2:30 O'CLOCK P. M. IN BOOK 642 OF MAPS OF ASSESSMENT
DISTRICTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE 3
IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SACRAMENTO, STATE
OF CALIFORNIA.

Mark Morris / *Deputy*
COUNTY RECORDER OF THE COUNTY OF
SACRAMENTO, CALIFORNIA

Figure D-3

PROPOSED BOUNDARIES OF
CITY OF SACRAMENTO
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT No. 99-02
ANNEXATION No. 2
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 16th DAY OF JANUARY, 2001.

CITY CLERK
CITY OF SACRAMENTO

CLERK'S CERTIFICATE

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF THE NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 99 - ANNEXATION #2 WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF HELD ON 16th DAY OF JANUARY, 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 CALIFORNIA.

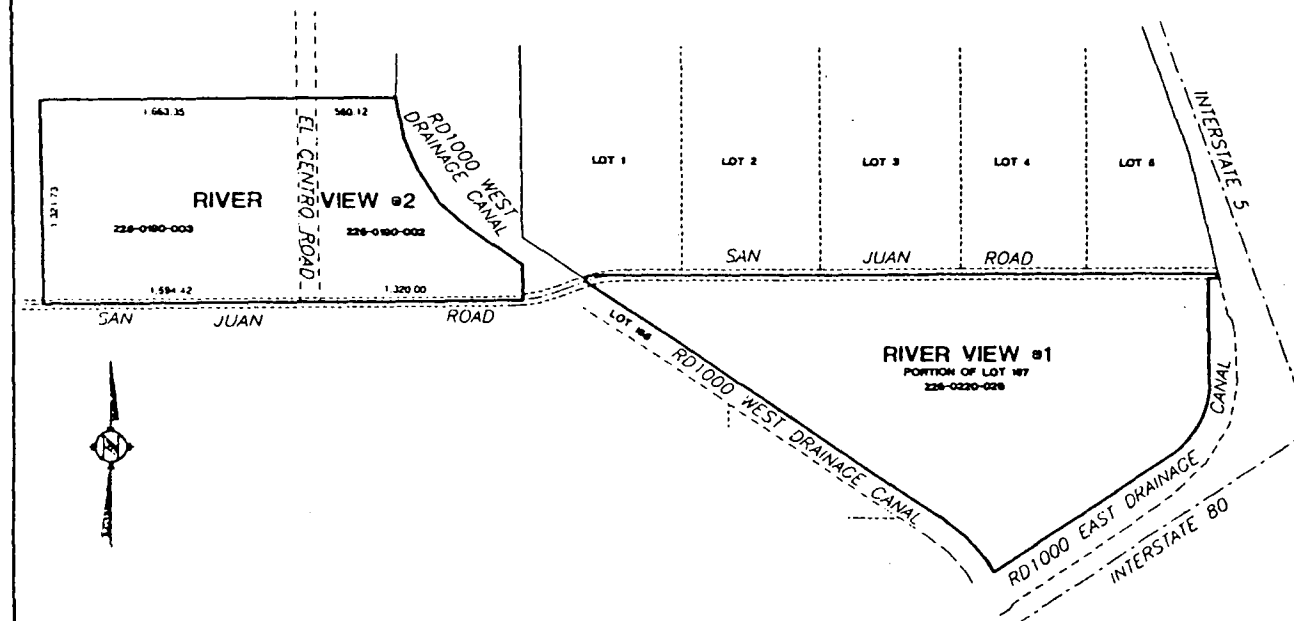
RECORDER OF SACRAMENTO COUNTY DOCUMENT NO.: _____
STATE OF CALIFORNIA

BY: _____

LEGEND

DISTRICT BOUNDARY

D-4



OUR ENGINEERING
PLANNING
SERVES YOUR PLANNING

WOOD-RODGERS INC.
3301 C ST. #1008 SACRAMENTO, CA 95816
PHONE: (916) 341-7780

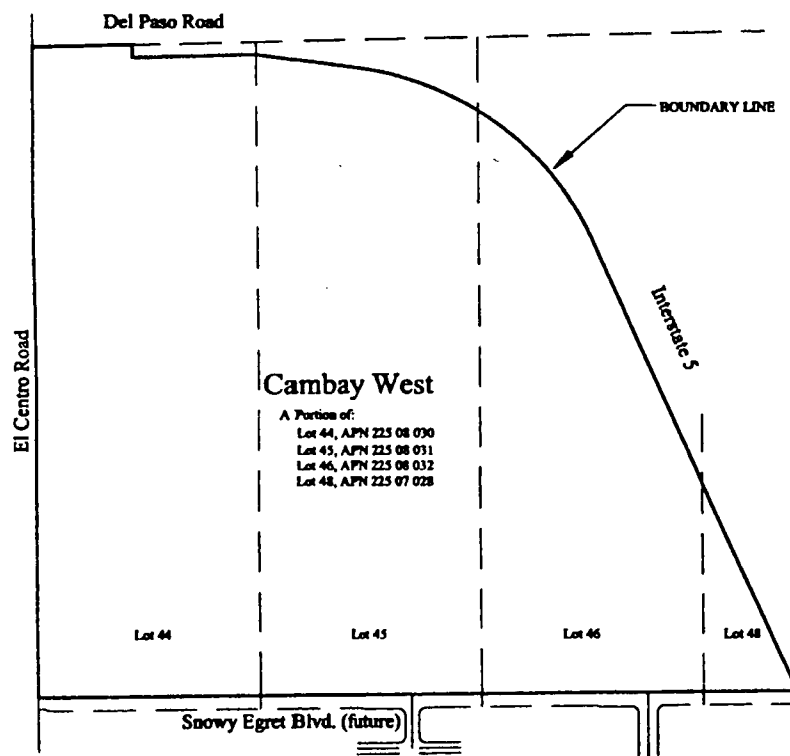


Figure D-4

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. _____

Figure D-5

BOUNDARIES OF
NORTH NATOMAS
NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT No. 99-02
ANNEXATION NO. 4
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, CALIFORNIA

CLERK'S CERTIFICATE

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 99-02, ANNEXATION NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2001, BY ITS RESOLUTION NO. _____.

CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

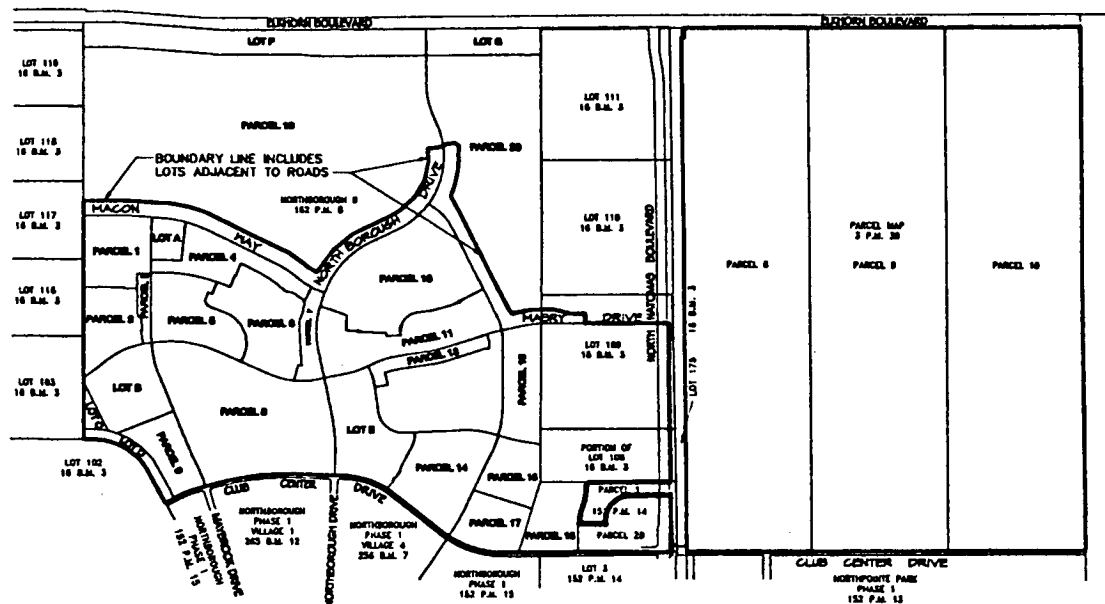
COUNTY RECORDER'S FILING STATEMENT:

FILED THIS _____ DAY OF _____, 2001 AT THE HOUR OF _____
O'CLOCK ____M., IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY
FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER
OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE COUNTY OF
SACRAMENTO, CALIFORNIA

BY: DEPUTY

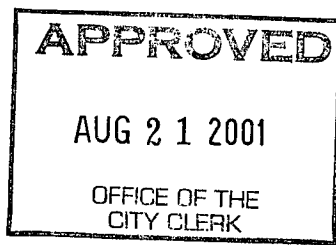
DOCUMENT NO.



WOOD RODGERS INC.
ENGINEERING PLANNING MARKETING SURVEYING

8301 Q STREET, BLDG. 100
SACRAMENTO, CA 95816
PHONE: (916) 341-7760

1015.033



3.2

DEPARTMENT OF
PUBLIC WORKS
DEVELOPMENT SERVICES

CITY OF SACRAMENTO
CALIFORNIA

SPECIAL DISTRICTS
1231 I Street
SACRAMENTO, CA
95814
PH 916-264-7113
FAX 916-264-7480

August 2, 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
PUBLIC HEARING**

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 map marked as Exhibit D to the attached resolution).

RECOMMENDATION:

This report recommends that the City Council conduct the public hearing and adopt a Resolution of Formation, which calls for a special election on August 28, 2001.

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

FOR COUNCIL MEETING: August 21, 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 call for a special election on August 28, 2001.

COMMITTEE/COMMISSION ACTION:

None.

City Council

Annexation #3 to the North Natomas Neighborhood Landscaping CFD No. 99-02

August 2, 2001

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 formation of the district, 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 is 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 Cambay West (see exhibit D of the attached resolution).

FINANCIAL CONSIDERATIONS:

The current maximum tax rate will be Eighty Dollars (\$80.00) for this zone. Only "developed residential parcels" would 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
August 2, 2001

ESBD CONSIDERATIONS:

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

Respectfully submitted,



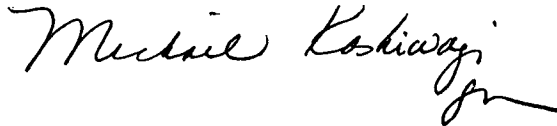
Gary Alm, Manager
Development Services

RECOMMENDATION APPROVED:

Approved:



ROBERT P. THOMAS
City Manager

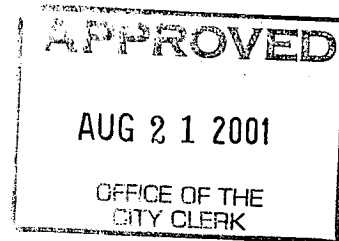


Michael Kashiwagi
Director of Public Works

EXHIBIT A

**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
August 21, 2001	<u>City Council Hearing, Call for Special Election</u>
August 22, 2001	Mail Ballots (Waiver of 90-day period)
August 28, 2001	Ballots Due
September 11, 2001	City Council Election Results
September 11, 2001	City Council Pass for Publication Ordinance to Levy Tax
September 12, 2001	Record Notice of Special Tax
September 19, 2001	City Council Adopt Ordinance to Levy Tax



RESOLUTION NO. 2001-580

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO
ANNEXING TERRITORY (ANNEXATION NO. 3) TO THE CITY OF SACRAMENTO
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES
DISTRICT NO. 99-02 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 North Natomas Landscaping Community Facilities District No. 99-02 ("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 landscape maintenance 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 financing the acquisition and construction of the Services includes incidental expenses for the services, including the costs of planning and designing 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. 2001-483 (the "Resolution") on July 18, 2001, 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 "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 be

s:\bill\assess\innctd9902\99-02 annex no2\resol of annexation

- 1 -

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____

5

known and designated as "North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, Annexation No. 3" ("Annexation No. 3"), to finance the landscape maintenance services (the "Services") in and for Annexation No. 3 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. 3 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 the Community Facilities District 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, August 21, 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, Sacramento, California 95814, at which hearing the Council considered the establishment of Annexation No. 3 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. 3 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 therefor, 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. 3 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 Exhibits B and C, attached hereto and incorporated herein and made a part hereof) to pay for the Services proposed to be provided in and for Annexation No. 3 to the Community Facilities District, and to establish an appropriations limit for Annexation No. 3 to the Community Facilities District;

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____

6

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 reapproves and readopts the Resolution, and reconfirms 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. 3 to the Community Facilities District shall be as set forth in Exhibits B and C, 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. 3 to the Community Facilities District, which lien 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. 3 to the Community Facilities District and the levy of such special tax, or the extent of the Community Facilities District, or any of the Services proposed therefor, 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. 3 to the Community Facilities District therefor, or the levy of the special tax proposed to be levied therein, or the extent of Annexation No. 3 to the Community Facilities District, or any of the Services therefor, or the establishment of an appropriations limit for Annexation No. 3 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. 3 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. 3 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 D, 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. 3 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

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____

person for Annexation No. 3 to the Community Facilities District, which tax shall be secured by recordation of a continuing lien against all nonexempt property in Annexation No. 3 to the Community Facilities District, will be levied annually within the boundaries of Annexation No. 3 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 Exhibits B and C, 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. 3 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.

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. 3 to the Community Facilities District on Tuesday, August 28, 2001, 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. 3 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 \$90,000 per fiscal year in connection therewith for Annexation No. 3 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

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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. 3 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 1340 et seq. and Section 23511.1 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 8:00 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 and incurring such bonded indebtedness 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 and incurring such bonded indebtedness 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 of said special election at 5:00 p.m. on Tuesday, August 28, 2001, at the office of the City Clerk of the Council, City Council Chambers, Sacramento City Hall, 915 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, September 11, 2001, 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

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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 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 the Community Facilities District, as defined by Article XIIB, 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 5 of this resolution (including the repayment of funds advanced for Annexation No. 3 to the Community Facilities District).

Section 12. The Special Districts Analyst, Special Districts, Department of Public Works of the City, at City Hall, City of Sacramento, 915 I Street, Sacramento, California 95814 (telephone 916/264-5628) 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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DATE ADOPTED: _____

Exhibit A

North Natomas Neighborhood Landscaping CFD No. 99-02 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 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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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.

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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.

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"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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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.

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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
Tax Zones at CFD Formation			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
Future Annexations			
E	Annexation No. 3 Cambay West [6]		
	Landscape Maintenance Services Tax	\$80	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
A	Annexation No. 2 River View		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
D	Annexation No. 1 Westlake [7]		
	Landscape Maintenance Services Tax	\$70	Authorized Unit
	Drainage Maintenance Services Tax	\$40	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	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.

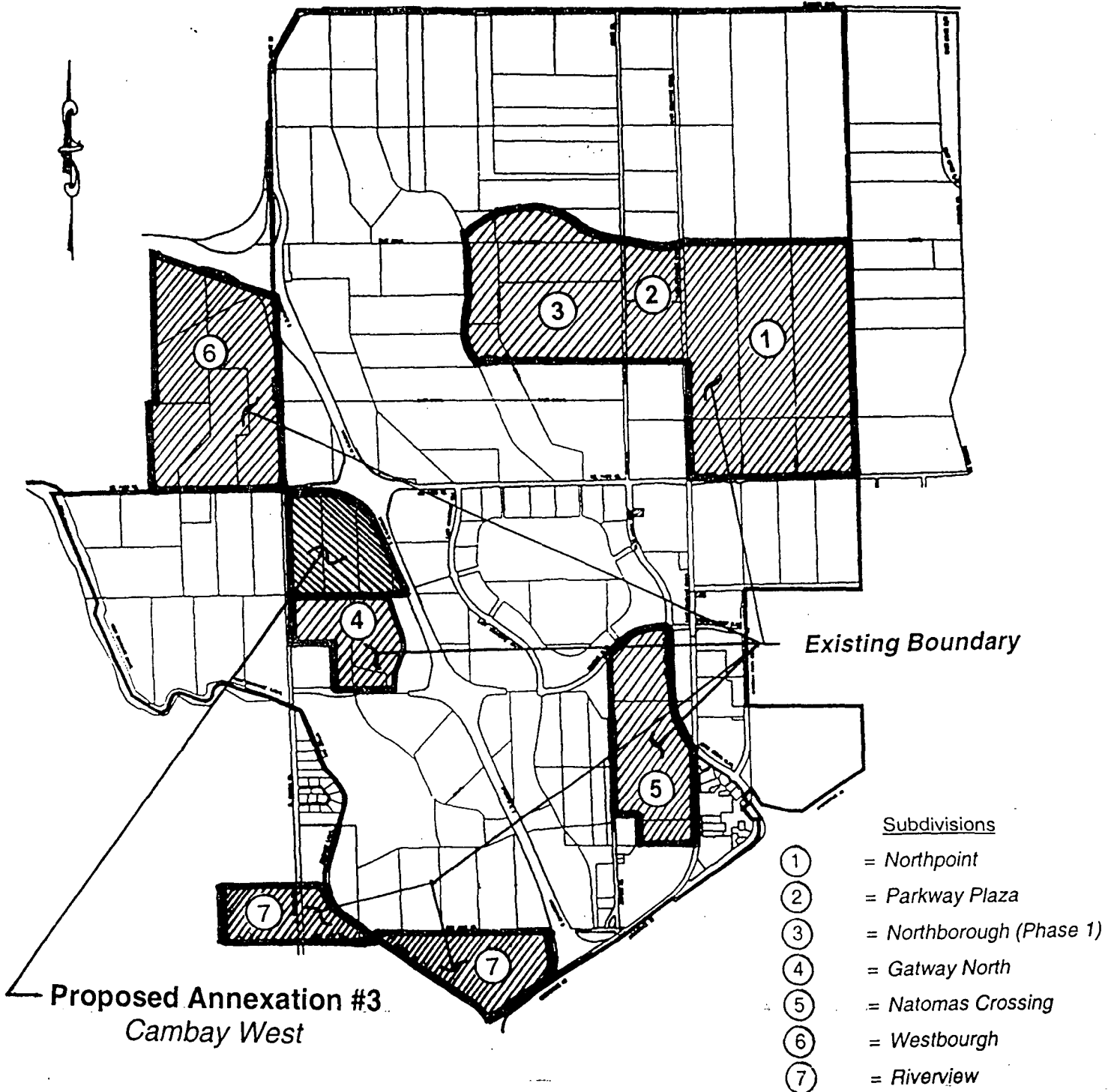
[7] Annexation No. 1 Westlake Base Year for maximum special tax rates is FY 2000-2001.

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EXHIBIT D

NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT #99-02

AREA OF SERVICES



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RESOLUTION NO.: _____

DATE ADOPTED: _____

FINAL HEARING REPORT FOR ANNEXATION NO. 3

NORTH NATOMAS CFD No. 99-02

Prepared for:

City of Sacramento

Prepared by:

Economic & Planning Systems, Inc.

August 21, 2001

EPS #9049

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EXHIBITS

- Exhibit A: List of Authorized Services
- Exhibit B: Rate and Method of Apportionment of Special Tax
- Exhibit C: Boundary Map
- Exhibit D: Annexation Nos. 1, 2, and 3 Maximum Special Taxes and Boundary Maps

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I. INTRODUCTION & PURPOSE

City Council adopted resolution no. 99-372 June 29, 1999. At that time, CFD No. 99-02 (the CFD) was formed with three tax zones, Tax Zone A (Natomas Park subdivisions), Tax Zone B (Natomas Crossing subdivision), and Tax Zone C (Gateway North subdivision). The rate and method of apportionment of the special tax that was adopted contains the provision for new subdivisions built within the North Natomas Finance Plan area to annex into the CFD.

ANNEXATION NO. 3 TO CFD NO 99-02

When a new subdivision annexes into the CFD, it may either annex into a tax zone which has a similar level of maintenance cost, or create a new tax zone with an appropriate tax rate to fund the required level of service. Annexation No. 3 includes the Cambay West subdivision that will annex into the CFD as Tax Zone E. Tax Zone E will be a newly created tax zone for Cambay West as the estimated annual landscaping services costs are projected to be greater on a per unit basis than in the currently existing Tax Zones.

This report describes Annexation No. 3 of Cambay West subdivision into CFD No. 99-02 in detail in **Chapter IV**.

INTRODUCTION

The North Natomas Community Plan encompasses approximately 9,000 acres north of Interstate 80 and west of Union Pacific Railroad. Although adopted by the City of Sacramento, the Community Plan includes areas outside the City limits. The Financing Plan for the North Natomas Community Plan delineated a Finance Plan Area. Approximately 6,800 acres within the City limits have been included in the Finance Plan Area¹ for North Natomas. At buildout, the Finance Plan Area is projected to contain approximately 27,900 dwelling units and jobs for approximately 56,500 employees.

A variety of Citywide funding sources are in place to fund standard service levels of maintenance for parks, landscape corridors, bikeways, and open space. These existing funding sources include the Citywide Landscaping and Lighting District, City general fund, utility rate base, gas tax, and CIP funds. North Natomas development will pay into these existing Citywide funding sources.

In June 1998 the North Natomas Annual Maintenance Community Facilities District (CFD No. 3) was formed to fund area-wide landscaping within the Finance Plan Area

¹The Finance Plan Area of the Community Plan includes only those acres in the City of Sacramento that are participating in the North Natomas Financing Plan.

that is either unique to North Natomas or is above City standards. Features unique to North Natomas include landscape corridors along major roads, drainage canals, swale, and freeway corridors. CFD No. 3 encompasses the entire Finance Plan Area but does not provide for ongoing maintenance of landscaping within neighborhood subdivisions.

PURPOSE OF CFD NO. 99-02

The City typically uses neighborhood landscape districts to fund subdivision landscaping. Neighborhood Landscaping Community Facilities District 99-02 (CFD No. 99-02) will fund landscaping and drainage maintenance for subdivisions within the Finance Plan Area of North Natomas. **Figure 1** shows participating subdivisions at formation of the CFD.

CFD No. 99-02 will comprise two components. First, it will provide landscape maintenance for each subdivision that does not have such maintenance funding provided through a homeowners association. Second, it will also provide drainage maintenance services for subdivisions that are required to implement a lake management plan, and that do not provide such funding through a homeowners association. CFD No. 99-02 may also serve as a back-up source of funds in the event that a homeowners association fails to provide landscape maintenance or drainage maintenance.

CFD No. 99-02 provides for varying levels of landscaping in different subdivisions by assigning each subdivision into a tax zone.

ORGANIZATION OF THIS REPORT

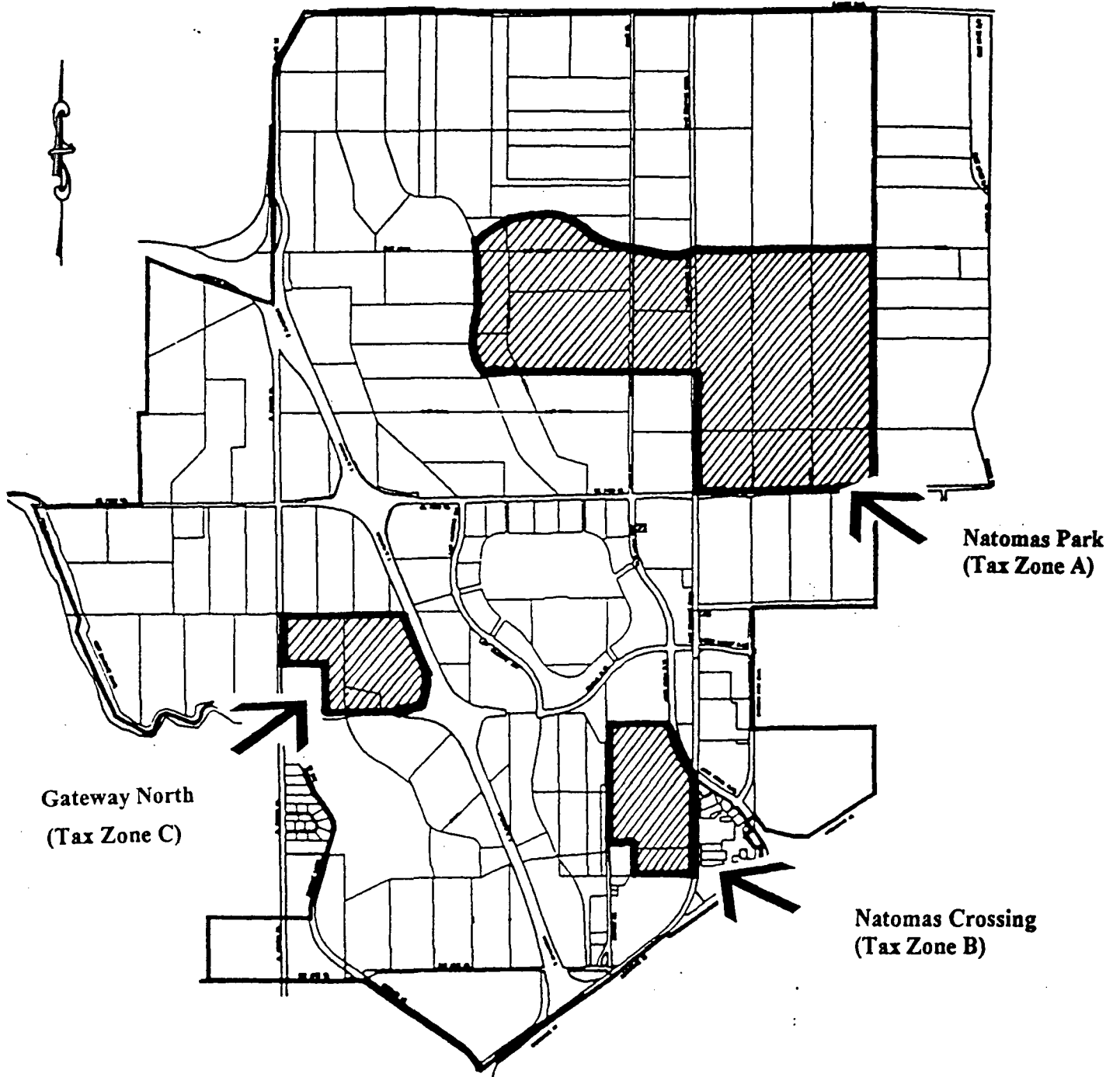
Following this introduction, **Chapter II** describes the annual costs for maintenance services, and the calculation of the maximum special taxes. **Chapter III** discusses features of the Neighborhood Landscaping Mello-Roos CFD No. 99-02. This discussion outlines the method of calculating the special tax levy and the structure of the proposed CFD. A description of Annexations No. 3, No. 2, and No. 1 to CFD No. 99-02 is included in **Chapter IV**.

Exhibit A gives the List of Authorized Services, **Exhibit B** is the Rate and Method of Apportionment, and **Exhibit C** shows the boundary maps for subdivisions at formation of CFD No. 99-02. **Exhibit D** is an amended Attachment 1 to the Rate and Method of Apportionment, and the Boundary Maps for annexation subdivisions, including Tax Zone E.

Economic & Planning Systems calculated the maximum annual special tax and developed the special tax formula for CFD No. 99-02 in cooperation with the City of Sacramento.

Figure 1

**NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT #99-02**



II. ANNUAL MAINTENANCE COSTS

ANNUAL LANDSCAPING MAINTENANCE COSTS

Neighborhood CFD No. 99-02 will fund maintenance of landscaping improvements in residential subdivisions that do not have a homeowners association providing this service.

Three project areas are participating in the CFD at formation. Each project area has been assigned a different tax zone to reflect the varying estimates of landscaping maintenance cost in each subdivision:

- Tax zone A includes Natomas Park, (multiple subdivisions)
- Tax zone B includes Natomas Crossing, and
- Tax zone C includes Gateway North.

Of these three project areas, only Natomas Park and Natomas Crossing will be levied the landscaping maximum special tax. A homeowners association will not provide funding for landscaping maintenance in these subdivisions. Funding for landscaping maintenance in Gateway North will be provided by a homeowners association. If the homeowners association fails to provide adequate levels of service and the City has to take over responsibility then tax zone C would be levied the landscaping maintenance maximum special tax.

ANNUAL DRAINAGE MAINTENANCE COSTS

Neighborhood CFD No. 99-02 may also fund the drainage maintenance for residential subdivisions with a lake management plan. The only subdivision with a lake management plan at the time of CFD formation is Gateway North. Funding to meet the maintenance required by the lake management plan will be provided by the homeowners association. If the homeowners association fails to provide adequate levels of service and the City has to take over responsibility then tax zone C would be levied the drainage maintenance maximum special tax.

SUMMARY OF ANNUAL COSTS

Annual costs are defined as the sum of landscape maintenance and drainage maintenance costs plus administrative costs and any amounts needed to cure actual or estimated delinquencies in the Special Taxes for the current or previous year. **Figure 2** below lists the proposed landscape maintenance services and the estimated annual cost at buildout in tax zones A and B (1999 \$).

Figure 2
Summary of Annual Costs
At Buildout in Tax Zones A and B

(rounded to 1999 \$'s hundreds)

Tax Zone A (Natomas Park) – multiple subdivisions

Landscape Maintenance [1], [3]	\$20,300
Unscheduled Maintenance [2], [3]	\$2,000
Utilities Cost (water & electric) and Contract Maintenance [3]	\$4,500
Plus 20% Contingency	\$5,400
Subtotal Landscape Maintenance Costs	\$32,200
Administration	\$4,700
Plus 20% Contingency	\$1,000
Total Annual Cost Tax Zone A	\$37,900

Tax Zone B (Natomas Crossing)

Landscape Maintenance [1], [3]	\$10,800
Unscheduled Maintenance [2], [3]	\$1,000
Utilities Cost (water & electric) and Contract Maintenance [3]	\$1,700
Plus 20% Contingency	\$2,700
Subtotal Landscape Maintenance Costs	\$16,200
Administration	\$2,400
Plus 20% Contingency	\$400
Total Annual Cost Tax Zone B	\$19,000

TOTAL ANNUAL COST **\$56,900**

[1] Maintenance of landscaping based upon \$0.05 per square foot for 'low level' landscaping, \$0.07 per square foot for 'medium level' landscaping, and \$0.12 per square foot for 'high level' landscaping.

[2] 10% of the total maintenance budget was added for miscellaneous maintenance and landscape capital improvements/replace/repair.

[3] Includes 15% contingency.

Source: City of Sacramento and EPS.

The annual costs shown assume buildout of Natomas Park (tax zone A), which includes multiple subdivisions, and Natomas Crossing (tax zone B), which are the only project areas included in the CFD at formation to be levied the landscaping maximum special tax. Gateway North is the only subdivision subject to the drainage maintenance tax, however, funding for this service will be provided through a homeowners association.

Landscape maintenance shown in **Figure 2** includes three levels of landscaping. 'Low level' landscaping includes items such as hardscape areas, 'medium landscaping' includes items such as planters and shrub beds, and 'high level' landscaping includes items such as turf, fences, and soundwalls. **Figures 3, 4, and 5** show square feet of the varying levels of landscaping in each subdivision, as provided by the landscape architects. Cost per square foot was provided by the City of Sacramento. **Figure 5** also shows estimated annual cost for drainage maintenance in Tax Zone C.

Landscape improvements will be installed as development occurs. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City. The annual maintenance cost and supporting tax base will increase as final maps are recorded and landscaping is installed. The tax base will continue to increase as new subdivisions annex into existing tax zones or create new tax zones.

Figure 3
North Natomas Neighborhood Landscaping Service CFD No. 99-02
Estimated Landscape Maintenance Costs

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Tax Zone A
Tax Zone A - Natomas Park				
Northborough				
Shrub Beds (medium)	78,960	SF	\$0.07	\$5,527
Turf (high)	11,020	SF	\$0.12	\$1,322
Soundwall [1]	52,800	SF	\$0.12	\$6,336
Subtotal Northborough	89,980	SF		\$13,186
Northpointe				
Shrub Beds (medium)	36,320	SF	\$0.07	\$2,542
Turf (high)	9,000	SF	\$0.12	\$1,080
Soundwall [1]	7,200	SF	\$0.12	\$864
Subtotal Northpointe	45,320	SF		\$4,486
Total Estimated Cost	135,300	SF		\$17,672

"ZoneA"

[1] Soundwalls in Natomas Park subdivisions are 6 feet high.

Note: Total estimated cost does not include contingencies.

Sources: City of Sacramento and Procida Landscape.

Figure 4
North Natomas Neighborhood Landscaping Service CFD No. 99-02
Estimated Landscape Maintenance Costs

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Tax Zone B
<i>Tax Zone B - Natomas Crossing</i>				
Turf (high)	49,641	SF	\$0.12	\$5,957
Planter (medium)	22,798	SF	\$0.07	\$1,596
Hardscape (low)	147	SF	\$0.05	\$7
Fence [1]	14,400	SF	\$0.12	\$1,728
Soundwall [1]	816	SF	\$0.12	\$98
Total Estimated Cost	87,802	SF		\$9,386

"ZoneB"

[1] Fence and Soundwall converted to SF using height of 8 feet.

Note: Total estimated cost does not include contingencies.

Source: City of Sacramento and Spink Engineering.

Figure 5

North Natomas Neighborhood Landscaping Service CFD No. 99-02

Estimated Landscape Maintenance Costs

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Tax Zone C
<i>Tax Zone C - Gateway North</i>				
Turf (High)	32,338	SF	\$0.12	\$3,881
Planter (Medium)	45,562	SF	\$0.07	\$3,189
Hardscape (low)	13,922	SF	\$0.05	\$696
Soundwall [1]	28,480	SF	\$0.12	\$3,418
Total Estimated Landscaping Cost	120,302	SF		\$11,184

[1] Soundwall converted to SF using height of 8 feet.

"ZoneC"

Note: Total estimated cost does not include contingencies.

Source: City of Sacramento and Spink Engineering.

Estimated Drainage Maintenance Costs

Drainage Maintenance	Total Cost Tax Zone C
<i>Tax Zone C - Gateway North</i>	
Monitoring - sampling	\$4,000
Monitoring - laboratory analyses	\$12,000
Twice per month trash clean up	\$2,500
Plant Harvesting	\$2,500
Algae Control	\$3,600
Quarterly and Annual Reports [1]	\$2,000
Total Estimated Drainage Costs	\$26,600

[1] Assumes an annual report only.

Note: Total estimated cost does not include contingencies.

Source: Gateway West-North Lake Management Plan, February 1999.

MAXIMUM SPECIAL TAX RATES

Maximum special tax rates for each tax zone were estimated by taking the estimated annual costs for a tax zone and dividing by the number of residential units planned for development within that tax zone. The maximum special tax rates are set based on the total number of units at buildout. This calculation is illustrated in **Figure 6** for tax zones A and B. Maximum special tax rates for tax zones A, B, and C are given in the Rate and Method of Apportionment in **Exhibit B**.

A total 35 percent contingency was added in each tax zone. Fifteen percent was added for each landscape maintenance service item, and 20 percent was added to both landscape maintenance and administrative costs. The overall contingency of 20 percent was added because the cost estimates are preliminary. There are few comparable areas to compare the standard of landscaping and associated costs in North Natomas subdivisions with in the City of Sacramento.

If annual costs in a tax zone are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in section 5 of the Rate and Method of Apportionment. Any additional revenues above those required for annual cost in the first couple of years will also help pay for CFD formation costs, and to reduce taxes in the following years.

In addition to the tax rates that have been set for Tax Zones A, B, and C, a base landscaping maximum special tax and a base drainage maintenance maximum special tax have been set. These maximum special tax rates are the maximum rates that may be levied when a new subdivision or group of subdivisions creates the need for a new tax zone.

If revenue from taxing developed parcels within a tax zone at 100 percent of the maximum special tax rates is insufficient to fund annual costs for that tax zone in a given year, an undeveloped land tax may be levied per gross acre. The undeveloped land tax only applies to tax zone A at formation because Natomas Park is comprised of several subdivisions that will build out over a period of time.

Figure 6

North Natomas Neighborhood Landscaping Services CFD No. 99-02

Estimated Annual Landscape Maintenance Costs and Special Taxes per Unit at Subdivision Buildout

Item	Square Feet	Cost per Sq. Foot	1999\$ Estimate	15% Contingency	Total Estimate
					1999\$
Tax Zone A (Natomas Park)					
Low Level Landscaping	0	\$0.05	\$0	\$0	\$0
Medium Level Landscaping	115,280	\$0.07	\$8,070	\$1,210	\$9,280
High Level Landscaping	80,020	\$0.12	\$9,602	\$1,440	\$11,043
Subtotal	195,300	\$0.09	\$17,672	\$2,651	\$20,323
Unscheduled Maintenance	10% of maintenance budget		\$1,767	\$265	\$2,032
Utilities Cost & Contract Maintenance (1)	195,300	\$0.02	\$3,906	\$586	\$4,492
Subtotal Annual Maintenance Cost Tax Zone A			\$23,345	\$3,502	\$26,847
Subtotal including 20% Contingency					\$32,216
Tax Zone B (Natomas Crossing)					
Low Level Landscaping	147	\$0.05	\$7	\$1	\$8
Medium Level Landscaping	22,798	\$0.07	\$1,596	\$239	\$1,835
High Level Landscaping	64,857	\$0.12	\$7,783	\$1,167	\$8,950
Subtotal	87,802	\$0.11	\$9,386	\$1,408	\$10,794
Unscheduled Maintenance	10% of maintenance budget		\$939	\$141	\$1,079
Utilities Cost & Contract Maintenance (1)	72,439	\$0.02	\$1,449	\$217.32	\$1,666
Subtotal Annual Maintenance Cost Tax Zone B			\$11,773	\$1,766	\$13,539
Subtotal Including 20% Contingency					\$16,247
TOTAL ANNUAL MAINTENANCE COSTS					\$48,464
Plus Administration (2)					\$7,074
Tax Zone A	66.5%				\$4,702
Tax Zone A Administration including 20% Contingency					\$5,643
Tax Zone B	33.5%				\$2,372
Tax Zone B Administration including 20% Contingency					\$2,846
TOTAL ANNUAL COST					\$55,538
Tax Zone A (Natomas Park)					\$36,919
Tax Zone B (Natomas Crossing)					\$18,619
Residential Units (3)					
Tax Zone A (Natomas Park)					1,085
Tax Zone B (Natomas Crossing)					452
Estimated Annual Special tax per Unit (rounded)					
Tax Zone A (Natomas Park)					\$35
Tax Zone B (Natomas Crossing)					\$45

landscaping

(1) Square feet for medium and high landscaping only. Utilities bills include water and electricity.

(2) Includes \$2 per unit for County and \$4,000 per annum for Special Districts. Tax Zone administration cost allocated as the percentage of that Tax Zone's landscape maintenance costs of the total landscape maintenance costs.

(3) Unit counts are at buildout of subdivisions.

Sources: Landscaping square feet for Natomas Crossing provided by Spink, and Natomas Park by Procidia.

III. DESCRIPTION OF MELLO-ROOS CFD No. 99-02

As discussed in **Chapter II**, North Natomas Mello-Roos CFD No. 99-02 will fund the annual maintenance costs required for ongoing maintenance of landscaping and drainage services for subdivisions within the CFD. This chapter describes CFD No. 99-02 by explaining the calculation of annual cost, and the method to set the annual levy for each taxable parcel.

The purpose of the CFD is to fund ongoing landscape and drainage maintenance described in **Chapter II**. The list of eligible facilities and incidental expenses that the CFD is authorized to fund with special tax revenues is shown in this report in **Exhibit A**. Parcels within CFD No. 99-02 will pay an annual special tax based upon the Rate and Method of Apportionment of Special Tax shown in **Exhibit B**. The boundary map for CFD No. 99-02 is attached as **Exhibit C**.

ANNUAL COSTS TO BE FUNDED IN THE CFD

The annual cost will be determined each year by estimating the cost of ongoing maintenance and repair of facilities plus the cost of City administration. The City will apply the special tax formula included as **Exhibit B** to this report to determine the special tax levy for each parcel. The tax formula must provide revenue to pay for the annual cost in any year. In years when less money is needed, the tax levy may be less than the maximum authorized rates.

CFD BOUNDARIES

Exhibit C shows the boundary map for tax zones at the formation of CFD No. 99-02. The map shows the North Natomas Finance Plan Area. The areas that are shaded are included in the CFD. Future subdivision projects may be required by the City of Sacramento to annex into the CFD prior to the initiation of development, according to City policy. Property currently within the County portion of the Community Plan Area that annexes to the City of Sacramento submitting applications to develop will also be required to annex to CFD 99-02 according to City policy.

MAXIMUM ANNUAL SPECIAL TAX ALLOCATION TO LAND USES

The special taxes will be levied upon "Developed Residential Parcels". Developed Residential Parcels are defined as parcels created by a recorded final map that permit up to 2 units per lot. The maximum special taxes will be levied per authorized unit recorded

on the final map. In addition, an undeveloped land tax may be levied in a tax zone if taxing Developed Residential Parcels at 100 percent is insufficient to cover annual costs. Landscaping maintenance tax and drainage maintenance tax rates for the fiscal year 1999-2000 base tax year differ by tax zone, as shown in **Figure 7**. The maximum landscaping special tax in FY 99-2000 is \$35 per authorized unit in tax zone A, \$45 per authorized unit in tax zone B, and \$60 per authorized unit in tax zone C. The base landscape maintenance services maximum tax is \$100 per authorized unit. The base drainage maintenance services maximum tax is \$200 per single family unit. The base tax rates refer to the maximum special taxes that can be levied for services for annexing subdivisions that create a new tax zone. Gateway North is the only participating subdivision with a requirement to maintain a lake management plan. The maximum tax to provide sufficient funding for this service in the event that the homeowners association fails to provide adequate service, is \$150 per authorized unit.

The undeveloped land tax shown in **Figure 7** is only levied if revenues from the levy of maximum special taxes on developed parcels within a tax zone is insufficient to cover annual costs within that particular tax zone. The undeveloped land tax for an annexing subdivision that creates its own tax zone is \$310 per gross acre and is based on typical density of residential subdivisions developing in North Natomas. Tax zone A is the only tax zone at the time of formation with an undeveloped land tax. Using approximately 5 units per gross acre and the landscape maintenance special tax rate in tax zone A, the undeveloped land tax is \$190 per gross acre for tax zone A.

Tax rates may escalate each year based upon the prior calendar year annual average of the San Francisco, All Urban Consumers, Consumer Price Index (CPI-U), not to exceed 4 percent.

DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX

By June 30 of each year, the City shall prepare a list of the Parcels subject to the special tax using the records of the County assessor as of January 1 and other City development approvals. The City will tax all parcels within the CFD except tax-exempt parcels as described in Section 4 of the rate and method of apportionment.

TERMINATION OF THE SPECIAL TAX

The special tax will be levied and collected in perpetuity.

ASSIGNMENT OF MAXIMUM SPECIAL TAX

Section 4 of the special tax formula describes in detail the precise method for assigning the maximum special tax to parcels within the CFD. The following paragraph briefly summarizes these procedures.

Each year the administrator uses the definitions contained in the special tax formula to classify each parcel as tax-exempt or taxable. After classifying the parcels, the administrator

assigns the maximum annual tax using the maximum special tax rate for each taxable parcel.

The maximum annual tax shall not exceed the rates per dwelling unit in the base year (FY 1999-00), as adjusted by the annual escalation factor after the base year.

SETTING THE ANNUAL SPECIAL TAX LEVY FOR TAXABLE PARCELS

After computing the total annual cost for each tax zone, the City will then determine the levy for each taxable parcel in each tax zone. To determine the annual levy the City will use the following process described in Section 5 of the special tax formula. That process can be summarized as follows:

- First, the City determines the annual cost for landscape and drainage maintenance in each tax zone for the fiscal year.
- Second, calculate the landscape maintenance service tax by setting the tax rate for each developed parcel at 100 percent of its maximum annual special tax. If revenues are greater than annual costs, the tax is reduced proportionately against taxable parcels until the taxes are set at an amount sufficient to cover annual costs. If revenues are not sufficient to fund allocated annual cost, levy the undeveloped land tax up to 100 percent of its maximum annual special tax.
- Third, calculate the drainage maintenance service tax by setting the tax rate for each developed parcel at 100 percent of its maximum annual special tax. If revenues are greater than annual costs, the tax is reduced proportionately against taxable parcels until the taxes are set at an amount sufficient to cover annual costs.
- Fourth, sum the landscape maintenance services tax and the drainage maintenance services tax to determine the special tax levy for each taxable parcel in each tax zone.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as ad valorem property taxes.

Figure 7
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
<u>Tax Zones at CFD Formation</u>			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
<u>Future Annexations</u>			
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	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, the Maximum Special Tax Rates will escalate 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.

IV. SUMMARY OF ANNEXATIONS

This chapter is an additional chapter to the Final Hearing Report that was prepared June 21, 1999. It describes proposed and adopted annexations to CFD No. 99-02.

ANNEXATION NO. 3 CAMBAY WEST

Cambay West subdivision is the third subdivision proposed to annex into CFD No. 99-02. This residential subdivision is located west of Interstate 5, between Del Paso Road, El Centro Road, and the future Snowy Egret Boulevard. The proposed annexation area is illustrated in **Figure 8**.

A new Tax Zone, Tax Zone E, will be created for Cambay West as the maintenance costs for landscaping do not closely match those of Tax Zones A, B, C, or D.

SUMMARY OF ANNUAL COST

Estimated landscape maintenance square footage was provided by Carter & Burgess. Cost per square foot was inflated to 2001 dollars from previous City of Sacramento cost estimates. Landscape maintenance costs include costs for different categories of landscaping such as turf, planters, hardscape, and soundwalls. Total landscape square footage, cost per square foot for Cambay West, and total annual maintenance costs excluding contingency and administration costs are listed in **Figure 9**.

Landscape improvements will be installed as development occurs. All street frontage along single family homesites is currently included in the estimate. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City.

CFD Annual Cost includes contingency for unscheduled maintenance, utilities cost, and administration cost, and is estimated in **Figure 10**. Administration cost is allocated among the subdivisions by their share of annual maintenance costs.

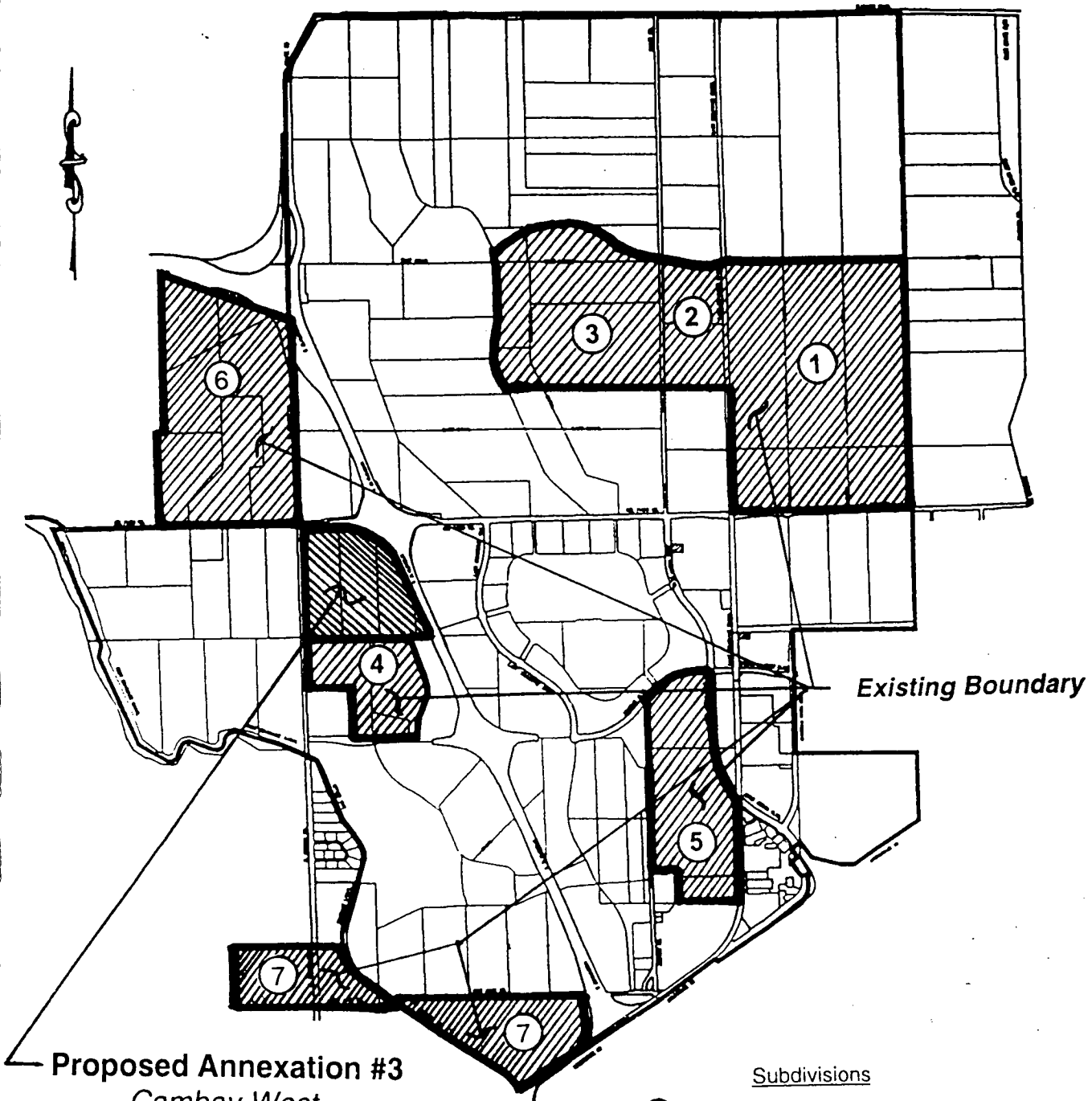
MAXIMUM SPECIAL TAX RATES

The maximum special tax rate for landscaping services in Cambay West was estimated by taking the estimated annual cost for Cambay West and dividing by the number of residential units planned for development within the neighborhood. The maximum special tax rates are set based on the total number of units planned at buildout. There are 210 planned low-density single family units and 90 estimated medium-density units, a total of 300 single family units. The calculation of maximum special tax rates is shown in **Figure 11**.

Figure 8

**NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT #99-02**

AREA OF SERVICES



Subdivisions

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

Figure 9

Annexation Number 3 to North Natomas CFD No. 99-02

Estimated Landscape Maintenance Costs - Cambay West

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Cambay West
Turf (High)	3,900	SF	\$0.13	\$526
Planter (Medium)	73,600	SF	\$0.08	\$5,795
Hardscape (Low)	13,700	SF	\$0.06	\$771
Soundwall [1]	28,200	SF	\$0.13	\$3,807
Soundwall (along El Centro Rd)	6,400	SF	\$0.13	\$864
Total Estimated Landscaping Costs	125,800			\$11,763

"cambay_cost"

[1] Soundwall converted to SF using height of 6 feet.

Note: Total estimated cost does not include contingencies in this figure.

Source: City of Sacramento and Carter & Burgess

Figure 10
North Natomas Neighborhood Landscaping Services CFD No. 99-02
Estimated Annual Landscape Maintenance Costs at Subdivision Buildout

Item	Square Feet	Cost per Sq. Foot	2001\$ Estimate	15% Contingency	Total Estimate
<u>TAX ZONE A</u>					
Natomas Park					
Low Level Landscaping	0	\$0.06	\$0	\$0	\$0
Medium Level Landscaping	115,280	\$0.08	\$9,077	\$1,362	\$10,439
High Level Landscaping	80,020	\$0.13	\$10,801	\$1,620	\$12,422
Subtotal	195,300		\$19,879	\$2,982	\$22,860
Unscheduled Maintenance	10% of maintenance budget		\$1,988	\$298	\$2,286
Utilities Cost & Contract Maintenance [1]	195,300	\$0.02	\$4,394	\$659	\$5,053
Subtotal Annual Maintenance Cost Tax Zone A			\$26,260	\$3,939	\$30,199
Subtotal including 20% Contingency					\$36,239
River View					
High Level Landscaping [2]	63,316	\$0.13	\$8,547	\$1,282	\$9,829
Subtotal	63,316		\$8,547	\$1,282	\$9,829
Unscheduled Maintenance	10% of maintenance budget		\$855	\$128	\$983
Utilities Cost & Contract Maintenance [1]	59,233	\$0.02	\$1,333	\$200	\$1,532
Subtotal Annual Maintenance Cost River View			\$10,734	\$1,610	\$12,344
Subtotal Including 20% Contingency					\$14,813
<u>TAX ZONE B</u>					
Natomas Crossing					
Low Level Landscaping	147	\$0.06	\$8	\$1	\$10
Medium Level Landscaping	22,798	\$0.08	\$1,795	\$269	\$2,064
High Level Landscaping	64,857	\$0.13	\$8,755	\$1,313	\$10,068
Subtotal	87,802		\$10,558	\$1,584	\$12,142
Unscheduled Maintenance	10% of maintenance budget		\$1,056	\$158	\$1,214
Utilities Cost & Contract Maintenance [1]	72,439	\$0.02	\$1,630	\$244.45	\$1,874
Subtotal Annual Maintenance Cost Tax Zone B			\$13,244	\$1,987	\$15,230
Subtotal Including 20% Contingency					\$18,276

Figure 10
North Natomas Neighborhood Landscaping Services CFD No. 99-02
Estimated Annual Landscape Maintenance Costs at Subdivision Buildout

Item	Square Feet	Cost per Sq. Foot	2001\$ Estimate	15% Contingency	Total Estimate
<u>TAX ZONE E</u>					
Cambay West					
Low Level Landscaping	13,700	\$0.06	\$771	\$116	\$886
Medium Level Landscaping	73,600	\$0.08	\$5,795	\$869	\$6,665
High Level Landscaping	38,500	\$0.13	\$5,197	\$780	\$5,976
Subtotal	125,800		\$11,763	\$1,764	\$13,527
Unscheduled Maintenance	10% of maintenance budget		\$1,176	\$176	\$1,353
Utilities Cost & Contract Maintenance [1]	77,500	\$0.02	\$1,744	\$262	\$2,005
Subtotal Cambay West			\$14,683	\$2,202	\$16,885
Subtotal Including 20% Contingency					\$20,262
TOTAL ANNUAL MAINTENANCE COSTS					\$89,590
Plus Administration [3]					\$8,552
<u>TAX ZONE A</u>					
Natomas Park	40.5%				\$3,459
River View	16.5%				\$1,414
<u>TAX ZONE B</u>					
Natomas Crossing	20.4%				\$1,745
<u>TAX ZONE E</u>					
Cambay West	22.6%				\$1,934
TOTAL ANNUAL COST					\$98,142
Tax Zone A (Natomas Park, River View)					\$55,925
Tax Zone B (Natomas Crossing)					\$20,021
Cambay West					\$22,196

[1] Square feet for medium and high landscaping only. Utilities bills include water and electricity.

[2] May include planter (medium) and hardscape (low) andscape features.

[3] Includes \$2 per unit for County and \$4,000 per annum for Special Districts. Tax Zone administration costs allocated as the percentage of that Tax Zone's landscape maintenance costs of the total landscape maintenance costs.

Sources: Landscaping square feet for Natomas Crossing provided by Spink,
Natomas Park by Procida, River View by River West Developments, and Cambay West by Carter & Burgess.

Figure 11
North Natomas Neighborhood Landscaping Services CFD No. 99-02
Estimated Annual Special Taxes per Unit at Subdivision Buildout

Item	Total Estimate
	2001\$
TOTAL ANNUAL COST	\$98,142
Tax Zone A (Natomas Park, River View)	\$55,925
Tax Zone B (Natomas Crossing)	\$20,021
Cambay West	\$22,196
Residential Units [1]	
Tax Zone A (Natomas Park, River View)	1,524
Tax Zone B (Natomas Crossing)	452
Cambay West [2]	300
Estimated Annual Special Tax per Unit (rounded)	
Tax Zone A (Natomas Park, River View)	\$37
Tax Zone B (Natomas Crossing)	\$48
Cambay West	\$77

max tax 3

[1] Unit counts are at buildout of subdivisions.

[2] Includes 210 planned LDR units and 90 estimated MDR units;
MDR units estimated using 10 units per acre.

Sources: City of Sacramento, Lennar Communities, Spink, River West Developments,
and Carter & Burgess

If annual costs are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in section 5 of the Rate and Method of Apportionment.

The maximum special tax rate for landscaping maintenance services for Cambay West in fiscal year 2001-2002 is \$77. As the Cambay West subdivision maximum special tax does not closely match that of the existing Tax Zones, it is proposed that Cambay West annex as a new Tax Zone, Tax Zone E.

ANNEXATION NO. 2 RIVER VIEW

River View subdivision annexed into CFD No. 99-02 in March of 2000. This residential subdivision is divided into two areas. The first area is located west of Interstate 5, between San Juan Road, Interstate 80, and Orchard Lane. The second area is located west of Witter Way, between San Juan Road and Radio Road. The annexed area is shown in **Figure 8**.

River View annexed into Tax Zone A, as the cost of annual landscape maintenance within the subdivision is similar to Natomas Park. The City will levy up to the maximum special tax for Tax Zone A annually for landscaping maintenance. This tax may be levied into perpetuity.

SUMMARY OF ANNUAL COST

Estimated landscape maintenance square footage was provided by the developer. Cost per square foot was provided by the City of Sacramento. Landscape maintenance costs include costs for different categories of landscaping including turf and trees, planters, hardscape, and soundwalls. Total landscape square footage for each village, cost per square foot, and total annual maintenance costs excluding contingency and administration costs are listed in **Figure 12**.

Landscape improvements will be installed as development occurs. All street frontage along single family homesites, and open space maintenance is currently included in the estimate. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City.

CFD Annual Cost includes contingency for unscheduled maintenance, utilities cost, and administration cost, and is estimated in **Figure 13**. Administration cost is divided among the subdivisions by their share of annual maintenance costs.

MAXIMUM SPECIAL TAX RATES

The maximum special tax rate for landscaping services in River View was estimated by taking the estimated annual cost for River View and dividing by the number of residential units planned for development within the neighborhood. The maximum special tax rates are set based on the total number of units planned at buildout. There are 439 single family units planned. The calculation of maximum special tax rates is shown in **Figure 14**.

If annual costs are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in section 5 of the Rate and Method of Apportionment.

The maximum special tax rate for landscaping maintenance services for Tax Zone A in fiscal year 2001-2002 is \$36. As the River View subdivision maximum special tax is approximately \$39 per unit, it is proposed River View annex into the existing Tax Zone A.

ANNEXATION NO. 1 WESTLAKE

Annexation No. 1 annexed the Westlake subdivision in June 2000. A new Tax Zone, Tax Zone D, was created at the time Westlake annexed, as the maintenance costs for landscaping and drainage did not closely match those in either Tax Zone A, Tax Zone B, or Tax Zone C.

Westlake subdivision will have a homeowners association to provide landscaping and drainage services, however, maximum special taxes have been set and may be levied against such property. The City will levy the maximum special taxes if the homeowners association fails to provide adequate levels of service, and the City has to take over responsibility of servicing the area.

SUMMARY OF ANNUAL COSTS

Estimated landscape maintenance square footage was provided by the developer. Cost per square foot was provided by the City of Sacramento. Landscape maintenance costs include costs for different categories of landscaping including turf and trees, planters, hardscape, soundwalls and fences, and stamped asphalt maintenance. Maintenance costs for the entry monument on B Street are included in the contingency. Total landscape square footage for each village, cost per square foot, and total annual maintenance costs are listed in **Figure 15**.

Figure 16 shows total estimated annual drainage maintenance costs from the Westborough Lake management Plan prepared by Perry Lake Management.

Landscape improvements will be installed as development occurs. All street frontage along single family homesites, and open space maintenance is currently included in the estimate. Maintenance of landscaping will be a developer requirement until landscaping improvements are accepted by the City.

Figure 12
Annexation Number 2 to North Natomas CFD No. 99-02

Estimated Landscape Maintenance Costs - River View

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost River View
<u>Village 1A</u>				
Turf and Trees (High) [1]	16,727	SF	\$0.13	\$2,171
Soundwall (High) [2]	321	SF	\$0.13	\$42
Subtotal Village 1A	17,048			\$2,213
<u>Village 1B</u>				
Turf and Trees (High) [1]	3,125	SF	\$0.13	\$406
Soundwall (High) [2]	1,260	SF	\$0.13	\$164
Subtotal Village 1B	4,385			\$569
<u>Village 4A</u>				
Turf and Trees (High) [1]	26,584	SF	\$0.13	\$3,450
Soundwall (High) [2]	1,940	SF	\$0.13	\$252
Subtotal Village 4A	28,524			\$3,702
<u>Village 4B</u>				
Turf and Trees (High) [1]	6,147	SF	\$0.13	\$798
Soundwall (High) [2]	562	SF	\$0.13	\$73
Subtotal Village 4B	6,709			\$871
<u>San Juan Road</u>				
Turf and Trees (High) [1]	6,650	SF	\$0.13	\$863
Soundwall (High) [2], [3]	-	SF	\$0.13	-
Subtotal San Juan Road	6,650			\$863
Total Estimated Landscaping Costs				\$8,218

"RiverView cost"

[1] May include planters and hardscape features such as cobblestone areas.

[2] Soundwall converted to SF using height of 6 feet.

[3] Soundwall maintenance costs for San Juan Road are included in the soundwall costs for Villages 1A, 1B, 4A, and 4B.

Note: Total estimated cost does not include contingencies in this figure.

Source: City of Sacramento and River West Development.

Figure 13
North Natomas Neighborhood Landscaping Services CFD No. 99-02
Estimated Annual Landscape Maintenance Costs at Subdivision Buildout

Item	Square Feet	Cost per Sq. Foot	2001\$ Estimate	15% Contingency	Total Estimate 2001\$
Tax Zone A (Natomas Park)					
Low Level Landscaping	0	\$0.05	\$0	\$0	\$0
Medium Level Landscaping	115,280	\$0.08	\$8,728	\$1,309	\$10,037
High Level Landscaping	80,020	\$0.13	\$10,386	\$1,558	\$11,944
Subtotal	195,300	\$0.10	\$19,114	\$2,867	\$21,981
Unscheduled Maintenance	10% of maintenance budget		\$1,911	\$287	\$2,198
Utilities Cost & Contract Maintenance (1)	195,300	\$0.02	\$4,225	\$634	\$4,858
Subtotal Annual Maintenance Cost Tax Zone A			\$25,250	\$3,788	\$29,038
Subtotal including 20% Contingency					\$34,845
Tax Zone B (Natomas Crossing)					
Low Level Landscaping	147	\$0.05	\$8	\$1	\$9
Medium Level Landscaping	22,798	\$0.08	\$1,726	\$259	\$1,985
High Level Landscaping	64,857	\$0.13	\$8,418	\$1,263	\$9,681
Subtotal	87,802	\$0.12	\$10,152	\$1,523	\$11,675
Unscheduled Maintenance	10% of maintenance budget		\$1,015	\$152	\$1,167
Utilities Cost & Contract Maintenance (1)	72,439	\$0.02	\$1,567	\$235.05	\$1,802
Subtotal Annual Maintenance Cost Tax Zone B			\$12,734	\$1,910	\$14,644
Subtotal Including 20% Contingency					\$17,573
River View					
High Level Landscaping (2)	63,316	\$0.13	\$8,218	\$1,233	\$9,451
Subtotal	63,316	\$0.13	\$8,218	\$1,233	\$9,451
Unscheduled Maintenance	10% of maintenance budget		\$822	\$123	\$945
Utilities Cost & Contract Maintenance (1)	59,233	\$0.02	\$1,281	\$192	\$1,474
Subtotal Annual Maintenance Cost River View			\$10,321	\$1,548	\$11,869
Subtotal Including 20% Contingency					\$14,243
TOTAL ANNUAL MAINTENANCE COSTS					\$66,661
Plus Administration (3)					\$7,952
Tax Zone A	52.3%				\$4,157
Tax Zone A Administration including 20% Contingency					\$4,988
Tax Zone B	26.4%				\$2,096
Tax Zone B Administration including 20% Contingency					\$2,516
River View	21.4%				\$1,699
River View Administration including 20% Contingency					\$2,039
TOTAL ANNUAL COST					\$74,613
Tax Zone A (Natomas Park)					\$39,002
Tax Zone B (Natomas Crossing)					\$19,669
River View					\$15,942

- (1) Square feet for medium and high landscaping only. Utilities bills include water and electricity.
(2) May include planter (medium) and hardscape (low) andscape features.
(3) Includes \$2 per unit for County and \$4,000 per annum for Special Districts. Tax Zone administration costs allocated as the percentage of that Tax Zone's landscape maintenance costs of the total landscape maintenance costs.

Sources: Landscaping square feet for Natomas Crossing provided by Spink,
Natomas Park by Procida, and River View by River West Developments.

Figure 14

**North Natomas Neighborhood Landscaping Services CFD No. 99-02
Estimated Annual Special Taxes per Unit at Subdivision Buildout**

Item	Total Estimate
	2001\$
TOTAL ANNUAL COST	\$74,613
Tax Zone A (Natomas Park)	\$39,002
Tax Zone B (Natomas Crossing)	\$19,669
River View	\$15,942
Residential Units (1)	
Tax Zone A (Natomas Park)	1,085
Tax Zone B (Natomas Crossing)	452
River View	439
Estimated Annual Special tax per Unit (rounded)	
Tax Zone A (Natomas Park)	\$36
Tax Zone B (Natomas Crossing)	\$47
River View	\$39

"max tax 2"

(1) Unit counts are at buildout of subdivisions.

Sources: City of Sacramento, Lennar Communities, Spink, and River West Developments.

Figure 15
Annexation Number 1 to North Natomas CFD No. 99-02

Estimated Landscape Maintenance Costs - Tax Zone D

Landscape Feature	Quantity	Unit	Cost per Unit	Total Cost Tax Zone D
<u>Village 1 [4]</u>				
Turf and Trees (High)	12,913	SF	\$0.12	\$1,550
Planter (Medium)	23,658	SF	\$0.07	\$1,656
Hardscape (low)	7,329	SF	\$0.05	\$366
Soundwall [1]	12,000	SF	\$0.12	\$1,440
Subtotal Village 1	55,900			\$5,012
<u>Village 2 [4]</u>				
Turf (High)	2,740	SF	\$0.12	\$329
Planter (Medium)	16,660	SF	\$0.07	\$1,166
Subtotal Village 2	19,400			\$1,495
<u>Village 3 [4]</u>				
Turf (High)	40,064	SF	\$0.12	\$4,808
Planter (Medium)	66,453	SF	\$0.07	\$4,652
Hardscape (low)	27,604	SF	\$0.05	\$1,380
Subtotal Village 3	134,120			\$10,839
<u>Village 4 [4]</u>				
Turf (High)	3,000	SF	\$0.12	\$360
Planter (Medium)	5,000	SF	\$0.07	\$350
Hardscape (low)	2,000	SF	\$0.05	\$100
Soundwall [1]	12,000	SF	\$0.12	\$1,440
Subtotal Village 4	22,000			\$2,250
<u>Village 5 [4]</u>				
Turf (High)	11,915	SF	\$0.12	\$1,430
Planter (Medium)	17,162	SF	\$0.07	\$1,201
Hardscape (low)	10,222	SF	\$0.05	\$511
Soundwall [1]	10,800	SF	\$0.12	\$1,296
Subtotal Village 5	50,100			\$4,438
<u>Village 6 [4]</u>				
Turf (High)	44,674	SF	\$0.12	\$5,361
Planter (Medium)	65,770	SF	\$0.07	\$4,604
Hardscape (low)	32,996	SF	\$0.05	\$1,650
Soundwall [1]	17,400	SF	\$0.12	\$2,088
Subtotal Village 6	160,840			\$13,703
<u>El Centro Road</u>				
Turf (High)	16,175	SF	\$0.12	\$1,941
Planter (Medium)	40,685	SF	\$0.07	\$2,848
Hardscape (low)	7,840	SF	\$0.05	\$392
Soundwall [1]	17,100	SF	\$0.12	\$2,052
Subtotal El Centro Road	81,800			\$7,233
Stamped Asphalt [2]	10,000	SF	\$4.65	\$4,650
B Street Entry Monument [3]	n.a. - included in contingency			\$0
Total Estimated Landscaping Costs				\$49,620

"Zone D"

- [1] Soundwall converted to SF using height of 6 feet.
[2] Cost per square foot for restamping and recoloring over 10 years. Annual cost averaged.
[3] Entry monument costs \$400,000 to construct. Future repair costs are included in contingency.
[4] Village cost estimates include frontage costs for landscaping along A Street and open space corridors.
Note: Total estimated cost does not include contingencies in this figure.

Source: City of Sacramento and Lennar Communities.

Figure 16
Annexation Number 1 to North Natomas CFD No. 99-02

Estimated Drainage Maintenance Costs - Tax Zone D

Drainage Maintenance	Total Cost Tax Zone D
Monitoring - sampling	\$4,000
Monitoring - laboratory analyses	\$12,000
Twice per month trash clean up	\$2,500
Algae Control	\$3,600
Quarterly and Annual Reports [1]	\$2,000
Total Estimated Drainage Costs	\$24,100

"Zone D drainage"

[1] Assumes an annual report only.

Note: Total estimated cost does not include contingencies.

Source: Lennar Communities, March 2000.

MAXIMUM SPECIAL TAX RATES

The maximum special tax rates for landscaping and drainage services were estimated by taking the estimated annual costs for Tax Zone D and dividing by the number of residential units planned for development within Tax Zone D. The maximum special tax rates are set based on the total number of units planned at buildout. There are 709 low density and 197 medium density single family units planned for the subdivision. Both low density and medium density housing will be part of the homeowners association and will share in the costs of maintenance. The calculation of maximum special tax rates is shown in **Figure 17**.

A total 35 percent contingency was added to total landscape and drainage costs. If annual costs are anticipated to be significantly less than the maximum special tax rates allow for, the maximum special tax rates may be reduced proportionately as outlined in section 5 of the Rate and Method of Apportionment.

The maximum special tax rates for landscaping and drainage services will be \$0 in the Westlake subdivision so long as these services are provided adequately by the homeowners association. If the City has to provide these services in the future, the following maximum special tax rates will be levied:

- Landscape maintenance services maximum special tax \$70 per residential unit
- Drainage maintenance services maximum special tax \$40 per residential unit

The maximum special tax rates shown in **Figure 17** are for the Base Year, which is Fiscal Year 2000-2001. Maximum special tax rates may be adjusted in the future using the Tax Escalation Factor, as defined in the Rate and Method of Apportionment.

Figure 17
Annexation Number 1 to North Natomas CFD No. 99-02

Base Year Maximum Special Taxes for Tax Zone D (Westlake)

Landscaping and Drainage Maintenance	Tax Zone D (Westlake)
Landscaping Maintenance Costs plus Landscaping Contingency 35% Total Landscaping Maintenance Costs	\$49,600 \$17,400 \$67,000
Drainage Maintenance Costs plus Drainage Contingency 35% Total Drainage Maintenance Costs	\$24,100 \$8,400 \$32,500
Total Residential Units	906
Maximum Special Tax per Unit Landscape Maintenance Services Tax Drainage Maintenance Services Tax	Fiscal Year 2000-01 \$70 \$40

"max tax 1"



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EXHIBITS:

- EXHIBIT A - LIST OF AUTHORIZED SERVICES
- EXHIBIT B - RATE AND METHOD OF APPORTIONMENT
- EXHIBIT C - BOUNDARY MAP
- EXHIBIT D - ANNEXATION NO. 1 AND ANNEXATION
NO. 2 MAXIMUM SPECIAL TAXES AND
BOUNDARY MAPS



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Land Use Policy

EXHIBIT A:
LIST OF AUTHORIZED SERVICES

Exhibit A

North Natomas Neighborhood Landscaping CFD No. 99-02 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 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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EXHIBIT B:

RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX

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.

Attachment 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
Tax Zones at CFD Formation			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
Future Annexations			
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	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, the Maximum Special Tax Rates will escalate 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.



Economic &
Planning Systems

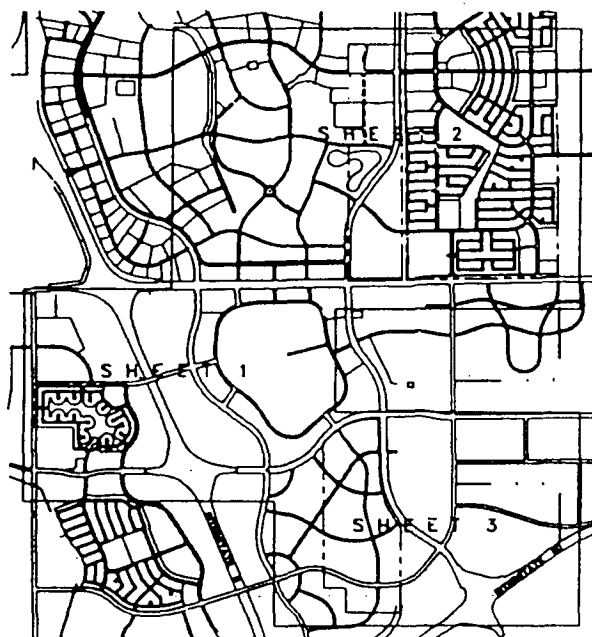
Public Finance

Real Estate Economics

Regional Economics

Land Use Policy

EXHIBIT C: BOUNDARY MAP

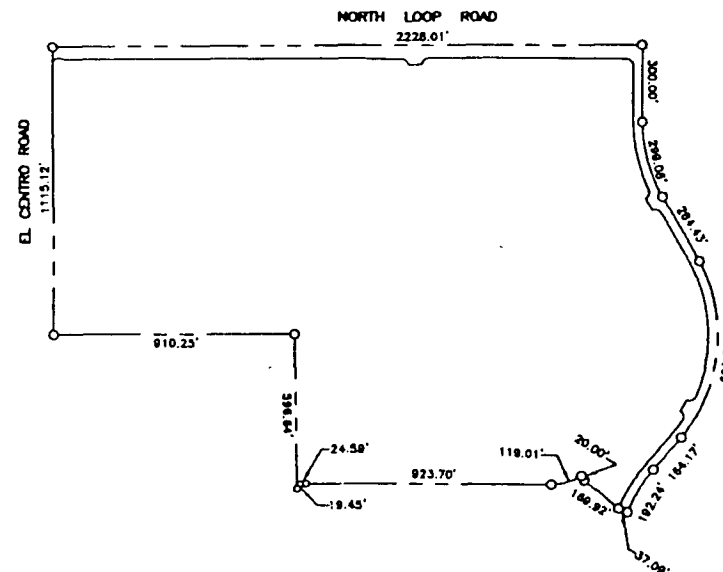
INDEX MAP
SCALE: 1"=2000'

PROPOSED BOUNDARIES OF
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT (CDF) NO 99-02
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

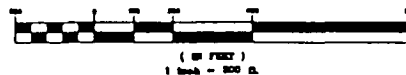
The Spink Corporation
SHEET 1 OF 3 SHEETS

LEGEND:

DISTRICT BOUNDARY - - - - -



GRAPHIC SCALE



CLERK'S FILING STATEMENT AND MAP CERTIFICATE

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS ____ DAY OF ____
19__

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES
OF NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES
DISTRICT (CDF) NO. 99-02, CITY OF SACRAMENTO, STATE OF CALIFORNIA WAS
APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING
THEREOF HELD ON THE ____ DAY OF ____ 19__ BY ITS RESOLUTION
NO. ____

VALARIE BURROWES
CITY CLERK, CITY OF SACRAMENTO

COUNTY RECORDER'S FILING STATEMENT

FILED THIS ____ DAY OF ____ 19__ AT THE HOUR OF ____ O'CLOCK
M. IN BOOK ____ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY
FACILITIES DISTRICTS AT PAGE ____ IN THE OFFICE OF THE COUNTY
RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

COUNTY RECORDER OF THE COUNTY
OF SACRAMENTO COUNTY

BY _____

PROPOSED BOUNDARIES OF NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT (CDF) NO. 99-02

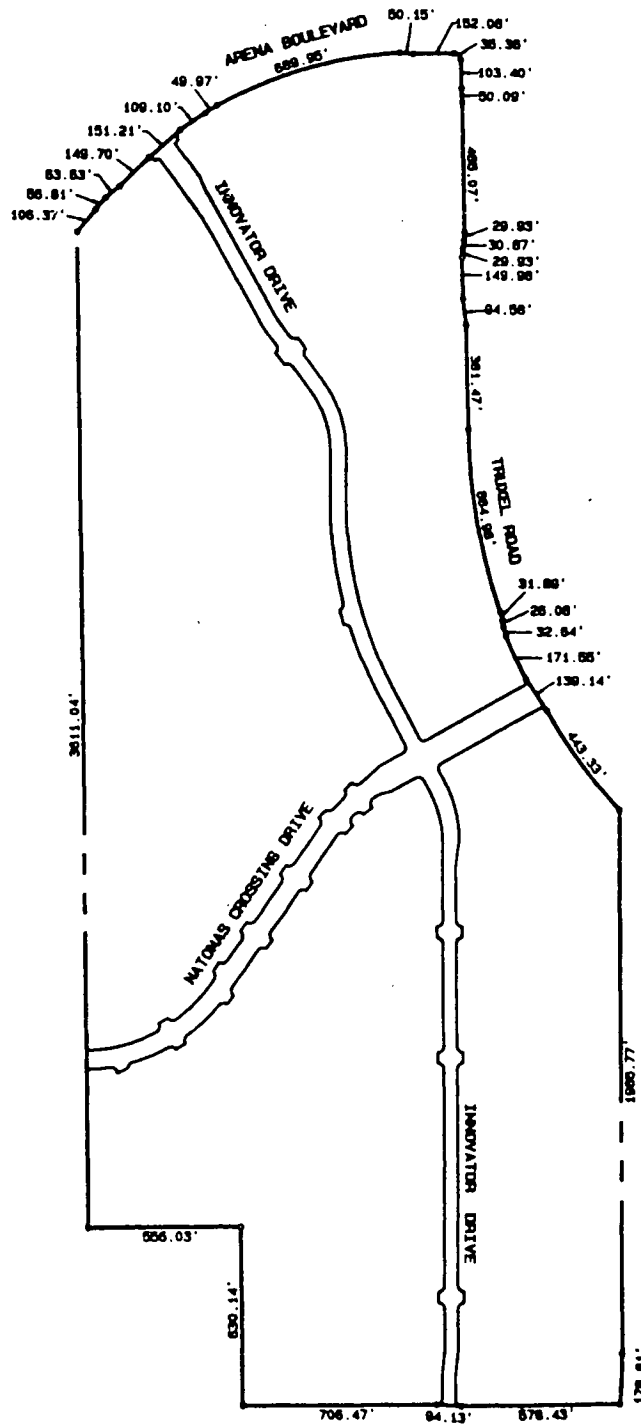
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SCALE: 1"=200' 1999

The *Spinks Corporation*
SHEET 3 OF 3 SHEETS

LEGEND:

DISTRICT BOUNDARY -----



SCALE 1" = 200'



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

EXHIBIT D:
ANNEXATION NOS. 1, 2, AND 3 MAXIMUM SPECIAL
TAXES AND BOUNDARY MAPS

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
Tax Zones at CFD Formation			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
Future Annexations			
E	Annexation No. 3 Cambay West [6]		
	Landscape Maintenance Services Tax	\$80	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
A	Annexation No. 2 River View		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
D	Annexation No. 1 Westlake [7]		
	Landscape Maintenance Services Tax	\$70	Authorized Unit
	Drainage Maintenance Services Tax	\$40	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	Gross Acre

[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.

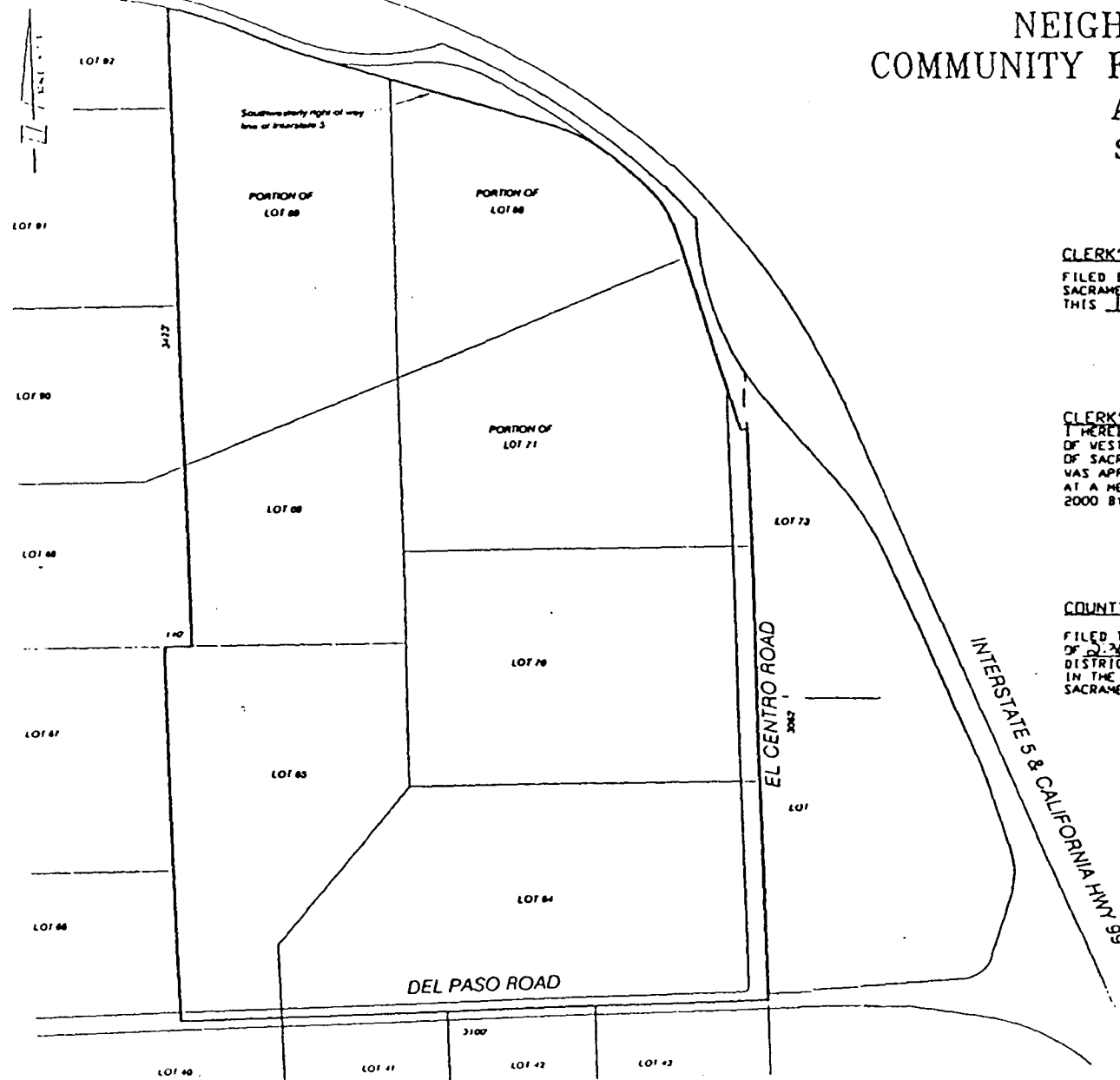
[4] Following the Base Year 1999-2000 for Tax Zones A, B, and C, and Base Year 2000-2001 for Tax Zone D, the Maximum Special Tax Rates will increase annually based upon the Consumer Price Index (CPI) (prior year annual average), San Francisco, All Urban Consumers (CPI-U), not to exceed 4%.

[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.

INTERSTATE 5



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

CLERK'S MAP FILING STATEMENT:

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF
SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA,
THIS 13TH DAY OF April, 2000.

Niraj K. Kulkarni
CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE:

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES
OF WESTLAKE COMMUNITY FACILITIES DISTRICT NO. 2000-01, CITY
OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA,
WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO
AT A MEETING THEREOF HELD ON THE 13TH DAY OF April
2000 BY ITS RESOLUTION NO. 2000-74R.

Niraj K. Kulkarni
CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT:

FILED THIS 14TH DAY OF April, 2000 AT THE HOUR
OF 2:30 O'CLOCK P.M. IN BOOK 671 OF MAPS OF ASSESSMENT
DISTRICTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE 3
IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SACRAMENTO, STATE
OF CALIFORNIA. BA 2000014-945

Mark Norris
COUNTY RECORDER OF THE COUNTY OF
SACRAMENTO, CALIFORNIA

Figure D-2

PROPOSED BOUNDARIES OF
CITY OF SACRAMENTO
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT No. 99-02
ANNEXATION No. 2
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 16 DAY OF JANUARY, 2001.

CITY CLERK
CITY OF SACRAMENTO

CLERK'S CERTIFICATE

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF THE NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 99 - ANNEXATION #2 WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF HELD ON 16 DAY OF JANUARY, 2001 BY ITS RESOLUTION NO. _____

CITY CLERK
CITY OF SACRAMENTO

COUNTY RECORDER'S FILING STATEMENT

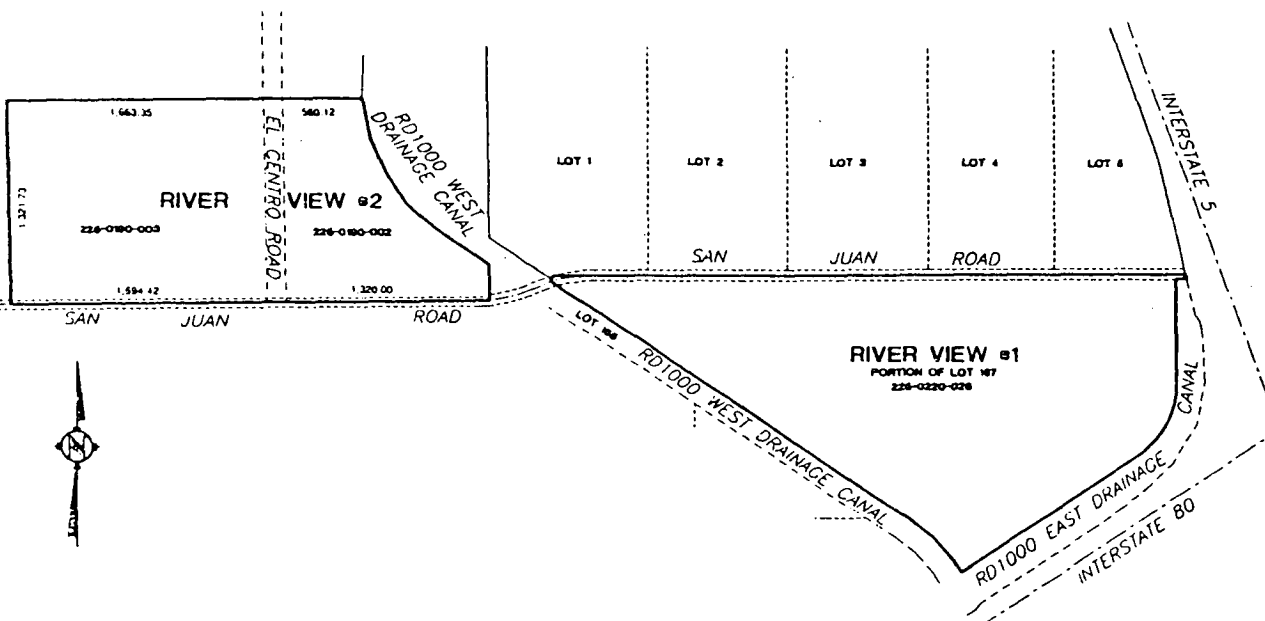
FILED THIS _____ DAY OF _____, 2001 AT THE HOUR OF _____ O'CLOCK
M., IN BOOK _____ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES
DISTRICTS AT PAGE _____ IN THE OFFICE OF THE RECORDER OF THE COUNTY OF
SACRAMENTO, STATE OF SACRAMENTO, CALIFORNIA.

RECORDER OF SACRAMENTO COUNTY DOCUMENT NO.: _____
STATE OF CALIFORNIA

BY: _____

LEGEND

_____ DISTRICT BOUNDARY

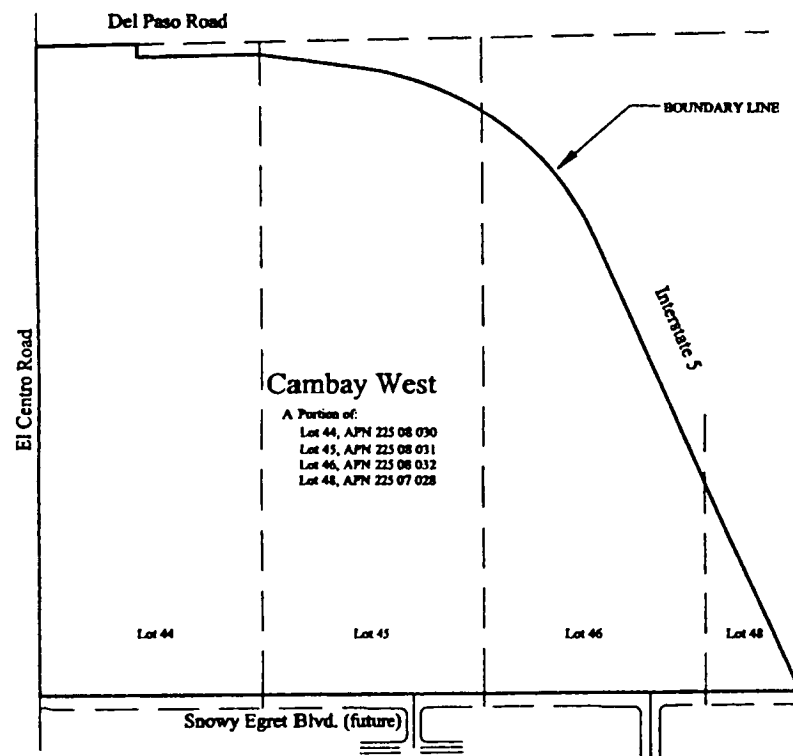


CIVIL ENGINEERING
PLANNING
LANDSCAPING

WOOD-RODGERS INC.
3301 C ST., #1008 SACRAMENTO, CA 95816
PHONE: (916) 341-1780

Figure D-3

D-3



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. _____