

RESOLUTION NO. 2018-53

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN
BAUTISTA FORMING AND ESTABLISHING COMMUNITY FACILITIES
DISTRICT NO. 2018-01 AND AUTHORIZING SUBMITTAL OF THE LEVY OF
SPECIAL TAXES TO THE QUALIFIED ELECTORS OF THE DISTRICT**

WHEREAS, the City Council of the City of San Juan Bautista, California (the “City Council”), has previously declared its intention to form a community facilities district and ordered the preparation of a community facilities district report relating to the initiation of proceedings to create such 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”) and the City of San Juan Bautista Community Facilities District Ordinance enacted pursuant to the powers reserved by the City of San Juan Bautista under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the “Ordinance”) (the Act and the Ordinance may be referred to collectively as the “Community Facilities District Law”). This community facilities district shall hereinafter be referred to as Community Facilities District No. 2018-01 (the “CFD”); and,

WHEREAS, notice of a public hearing relating to the establishment of the CFD, the extent of CFD, the financing of certain types of services and all other related matters has been given, and a community facilities district report (the “CFD Report”), as ordered by this City Council, has been presented to this City Council and has been made a part of the record of the hearing to establish CFD; and,

WHEREAS, all communications relating to the establishment of CFD, the proposed services and the rate and method of apportionment of the special tax proposed to be levied within CFD have been presented, and it has further been determined that a majority protest as defined by law has not been received against these proceedings or the levy of the special tax within CFD; and

WHEREAS, inasmuch as there have been less than twelve (12) registered voters residing within the territory of CFD for at least the preceding ninety (90) days, the authorization to levy special taxes within CFD shall be submitted to the landowners of CFD, such landowners being the qualified electors as authorized by law.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Recitals. The above recitals are all true and correct.

SECTION 2. Determinations. It is hereby determined by this City Council that:

- A. All prior proceedings pertaining to the formation of CFD were valid and taken in conformity with the requirements of the law, and specifically the provisions of the Community Facilities District Law, and that this finding and determination is made pursuant to the provisions of Government Code Section 53325.1.

- B. The written protests received, if any, do not represent a majority protest as defined by the applicable provisions of the Community Facilities District Law and, therefore, the special tax proposed to be levied within CFD has not been precluded by majority protest pursuant to Section 53324 of the Government Code of the State of California.
- C. The CFD, as proposed, conforms with the City of San Juan Bautista Statement of Local Goals and Policies Regarding the Establishment of Community Facilities Districts (the “Local Goals and Policies”).
- D. Less than twelve (12) registered voters have resided within the territory of CFD for each of the ninety (90) days preceding the close of the public hearing, therefore, pursuant to the Act the qualified electors of CFD shall be the landowners of CFD as such term is defined in Government Code Section 53317(f) and each such landowner who is the owner of record as of the close of the public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that she or he owns within CFD.
- E. The time limit specified by the Community Facilities District Law for conducting an election to submit the levy of the special taxes to the qualified electors of CFD and the requirements for impartial analysis and ballot arguments have been waived with the unanimous consent of the qualified electors of CFD.

SECTION 3. Community Facilities District Report. The CFD Report, as now submitted by Harris and Associates, Special Tax Consultant, shall stand as the report required pursuant to Government Code Section 53321.5 for all future proceedings and all terms and contents are approved as set forth therein.

SECTION 4. Name of District. The City Council does hereby establish and declare the formation of CFD known and designated as the “City of San Juan Bautista Community Facilities District No. 2018-01”.

SECTION 5. Boundaries of CFD. The boundaries of CFD are generally described as follows:

All property within the boundaries of the Community Facilities District No. 2018-01, as shown on a boundary map as previously approved by this legislative body, such map designated “Proposed Boundaries of the Community Facilities District No. 2018-01, City of San Juan Bautista, County of San Benito, State of California,” a copy of which is on file in the Office of the City Clerk. The boundary map of the proposed District was filed on September 19, 2018 pursuant to Sections 3111 and 3113 of the Streets and Highways Code of the State of California in the Office of the County Recorder of the County of San Benito (the “County”), at Page 77 of Book 1 of the Book of Maps of Assessment and Community Facilities Districts of the County.

SECTION 6. Description of Services. It is the intention of this City Council to finance certain services (the “Services”) that are in addition to those provided in or required for the territory within CFD and will not be replacing services already available. A general description of the services to be provided is provided in Exhibit “A” attached hereto.

SECTION 7. Special Tax. Except where funds are otherwise available special taxes sufficient to pay for the Services, to establish or replenish a reserve fund, the replacement costs of park or other public improvements within the District and related incidental expenses authorized by the Community Facilities District Law, secured by recordation of a continuing lien against all non-exempt real property in CFD, are hereby authorized, subject to voter approval, to be levied annually within the boundaries of CFD. For further particulars as to the Rate and Method of Apportionment of the special taxes proposed to be levied within CFD, reference is made to the attached and incorporated Exhibit “B,” which sets forth in sufficient detail the rate and method of apportionment to allow each landowner or resident within CFD to clearly estimate the maximum amount that such person will have to pay for such services.

The special taxes herein authorized shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in case of delinquency, as applicable for ad valorem taxes; however, as applicable, this legislative body may, by resolution, establish and adopt an alternate or supplemental procedure as necessary. Any special taxes not collected on the County tax roll shall be collected through a direct billing procedure by the Treasurer of the City of San Juan Bautista, acting for and on behalf of CFD.

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 non-exempt real property in CFD and this lien shall continue in force and effect until the lien canceled in accordance with law or until collection of the tax by the legislative body ceases. The special tax obligation for any parcel may not be prepaid.

SECTION 8. Special Tax Accountability Measures. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, this City Council hereby establishes the following accountability measures pertaining to the levy by CFD of the special taxes described in Section 7 above:

- A. Each such special tax shall be levied for the specific purposes set forth in Section 6 above.
- B. The proceeds of the levy of each such special tax shall be applied only to the specific applicable purposes set forth in Section 7 above.
- C. CFD shall establish a separate account into which the proceeds of each such special tax shall be deposited.
- D. The City Manager or his or her designee, acting for and on behalf of CFD, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

SECTION 9. Preparation of Annual Tax Roll. The name, address and telephone number of the office, department or bureau which will be responsible for preparing annually a current roll of special tax levy obligations by Assessor's parcel number and which shall be responsible for estimating future special tax levies pursuant to Section 53340.1 of the Government Code of the State of California, are as follows:

Public Works Department
City of San Juan Bautista
703 Second Street
San Juan Bautista, CA 95045
(831) 623-4661

SECTION 10. Election. This legislative body herewith submits the levy of the special taxes to the qualified electors of CFD, such electors being the landowners within CFD, with each landowner having one (1) vote for each acre or portion thereof of land which he or she owns within CFD.

The proposition related to the levy of the special taxes, together with a proposition to establish an appropriations limit for CFD, shall be submitted to the qualified electors of CFD at a special election to be held on October 16, 2018, immediately following the adoption of this resolution or (b) such other date as the qualified electors and the City Clerk may mutually agree and such election shall be a special election to be conducted by the City Clerk (hereinafter referred to as the "Election Official"). If either or both of the propositions for the levy of the special taxes receive the approval of more than two-thirds (2/3rds) of the votes cast on the proposition, the special tax thereby approved may be levied as provided for in this Resolution.

SECTION 11. Ballot Proposals. The ballot proposals to be submitted to the qualified electors of CFD at the election shall generally be as follows:

"Shall the Community Facilities District No. 2018-01, subject to the accountability measures required pursuant to Government Code Section 50075.1, levy a special tax throughout Community Facilities District No. 2018-1 pursuant to the Rate and Method of Apportionment attached as Exhibit B to this ballot for the purposes of financing the services described in Exhibit A to this ballot?"

SECTION 12. Vote. The appropriate mark placed in the voting square after the word "YES" shall be counted in favor of the adoption of the proposition, and the appropriate mark placed in the voting square after the word "NO" in the manner as authorized, shall be counted against the adoption of such proposition.

SECTION 13. Election Procedure. The Election Official is hereby authorized to take any and all steps necessary for holding the above election. The Election Official shall perform and render all services and proceedings incidental to and connected with the conduct of the election including but not limited to, the following:

1. Prepare and furnish the necessary election supplies to conduct of the election.
2. Cause to be printed the requisite number of official ballots, tally sheets and other necessary forms.
3. Furnish official ballots for the qualified electors of CFD.
4. Cause the official ballots to be presented to the qualified electors, as required by law.
5. Receive the returns of the election and supplies.
6. Sort and assemble the election material and supplies in preparation for the canvassing of the returns.
7. Canvass the returns of the election.
8. Furnish a tabulation of the number of votes given in the election.
9. Conduct and handle all other matters relating to the proceedings and conduct of the election in the manner and form as required by law.

SECTION 14. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 16th day of October, 2018, by the following vote:

AYES: West, Freeman, Boch

NOES: None

ABSENT: Martorana, DeVries

ABSTAIN: None

Jim West, Mayor

ATTESTED:

Trish Paetz, Deputy City Clerk

EXHIBIT A

COMMUNITY FACILITIES DISTRICT NO. 2018-01

List of Public Facilities to be Maintained and Serviced

The Community Facilities District will fund, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982), including all related administrative costs, expenses and related reserves:

- Landscape Maintenance

- Park Maintenance

- Street and Sidewalk Maintenance

- Curb & Gutter Maintenance

- Street Lighting Maintenance

- Storm Drain Maintenance

- Sound Wall Maintenance

- Graffiti Abatement

- Mosquito Abatement

- Storm Drain Maintenance

- Recreational Equipment Maintenance

Please refer to Exhibit B, Rate and Method of Apportionment for additional information related to the services provided.

EXHIBIT B

RATE AND METHOD OF APPORTIONMENT FOR CITY OF SAN JUAN BAUTISTA COMMUNITY FACILITIES DISTRICT NO. 2018-01

The City of San Juan Bautista (the “City”) initiated proceedings to establish Community Facilities District No. 2018-01 on August 21, 2018, by Resolution No. 18-45 (herein after referred to as “the District” or “CFD”) for the purpose of funding the ongoing operation, maintenance and servicing of certain improvements, as detailed in this Rate and Method of Apportionment of Special Tax (herein after referred to as the “RMA”).

Properties within the CFD’s future annexation area shall be annexed into the CFD as new development occurs, unless exempted by law or by the provisions set forth in Section F below. The CFD’s future annexation area shall be defined as the boundaries of the City. A boundary map showing the future annexation area, as well as diagrams showing all Parcels currently within the CFD, are included in Exhibit A of this RMA. In compliance with the proceedings governing the formation of the CFD and according to the provisions of the adoption of this RMA, the Special Tax is proposed to be levied on each taxable Parcel within the boundaries of the CFD, except those exempted by law or the express provisions set forth in this RMA.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“**Acre**” or “**Acreage**” means the land area of an Assessor’s Parcel as shown on County records, such as an Assessor’s Parcel Map or secured roll data, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the Parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and Geographic Information Systems (GIS). The square footage of an Assessor’s Parcel is equal to the Acreage multiplied by 43,560.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the actual or reasonably estimated costs incurred by the Administrator acting for and on behalf of the CFD, to determine, levy and collect the Special Taxes, in responding to public inquiries regarding the Special Taxes, including general administrative costs, fees of consultants and legal counsel providing services related to the administration of the CFD; any amounts estimated or advanced by the City or CFD for any other administrative purposes; and, any other costs required to administer the CFD as determined by the Administrator.

“**Administrator**” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“Annual Tax Escalation Factor” means in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in effect in the prior Fiscal Year by an amount equal to the greater of (i) the annual average Consumer Price Index (CPI), for San Francisco-Oakland-Hayward, All Urban Consumers (CPI-U) as published by the Department of Labor’s Bureau of Labor Statistics, or (ii) two percent (2.0%). If the CPI listed above is no longer published, the Administrator shall select a new index that is reasonably comparable to the CPI that is no longer published for purposes of calculating the Annual Tax Escalation Factor.

“Annual Special Tax” means the total Special Tax levied against a Taxable Property in the CFD in a fiscal year.

“Assessor’s Parcel” means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor’s Parcel Number.

“Assessor’s Parcel Number” or “APN” means a unique number assigned to an Assessor’s Parcel by the County Assessor for purposes of identifying a property.

“Authorized Services” means those authorized maintenance activities and/or services, and expenses that may be funded by the CFD pursuant to the Act as amended, including, without limitation, those services authorized to be funded by the CFD as set forth in the documents adopted by the City Council at the time the CFD was formed.

“Base Year” means the Fiscal Year beginning July 1, 2018 and ending June 30, 2019.

“Building Permit” means a single permit or set of permits required to construct an entire residential or non-residential structure, which is issued by the City prior to July 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Capital Replacement Reserve Fund” means a fund that shall be maintained for the CFD for each Fiscal Year to provide for the accumulation and holding of funds for long-term capital projects, asset replacement, or other large anticipated expenditures.

“CFD” means the City of San Juan Bautista Community Facilities District No. 2018-01.

“City” means the City of San Juan Bautista.

“City Council” means the City Council of the City, acting as the legislative body of the CFD.

“City Manager” means the City Manager of the City of San Juan Bautista or designee.

“Commercial Property” means, in any fiscal year, all Developed Property for which a building permit or use permit has been issued for a commercial establishment which includes, but is not limited to, retail stores, clothing stores, book stores, convenience stores, drug stores, professional services (i.e., barber shops, dry cleaners), restaurants, supermarkets, hospitals, movie theaters, appliance and electronics stores, home supply stores, auto parts stores, and other retail uses. The City shall make the determination if a Parcel is Commercial Property.

“County” means the County of San Benito, State of California.

“County Assessor” means the Assessor of the County or his or her designee.

“County Recorder” means the Recorder of the County or his or her designee.

“Developed Property” means all Taxable Property for which a building permit was issued prior to the July 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Dwelling Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental separate from adjacent residential dwelling units.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to law or Section F herein.

“Final Subdivision Map” means a subdivision of property creating residential or non-residential buildable lots by recordation of a Final Subdivision Map or Parcel Map pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), or recordation of a condominium plan pursuant to the California Civil Code 1352, that creates individual lots for which building permits may be issued without further subdivision.

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

“Hotel Property” means, in any fiscal year, a Developed Property for which a building permit or use permit has been issued for a structure that constitutes a place of lodging providing sleeping accommodations and related facilities for travelers.

“Industrial Property” means, in any fiscal year, a Developed Property for which a building permit or use permit has been issued for construction of an industrial, manufacturing, or warehousing structure. The City shall make the determination if a Parcel is Industrial Property.

“Multi-Family Property” means, in any fiscal year, all Parcels of Developed Property for which a building permit or use permit has been issued for construction of a residential structure with five (5) or more Units that share a single Assessor’s Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C, which may be levied in any fiscal year on any Assessor’s Parcel of Taxable Property.

“Operating Fund” means a fund that shall be maintained for the CFD each Fiscal Year to provide for the maintenance and administration of the CFD, including a reserve fund to pay for delinquencies in the payment of Special Taxes.

“Operating Fund Requirement” means, for any Fiscal Year, an amount equal to costs associated with providing the Authorized Services and managing the CFD. In no event shall the Operating Fund Requirement in any Fiscal Year exceed the Special Tax Requirement for the CFD, without crediting the property owner’s annual special tax levy in an amount equal to the funds available that are in excess of the Special Tax Requirement.

“Operating Reserve Fund” means the amount held in a fund that is used to pay for delinquencies in the payment of Special Taxes and any insufficiencies in funds to pay maintenance and administrative costs of the CFD.

“Proportionately” means for Taxable Property that the ratio of the Annual Special Tax to the Maximum Special Tax is equal for all Taxable Property levied within each parcel classification as identified in Tables 1 and 2 herein and within the boundaries of the CFD.

“Public Property” means any property within the boundaries of the CFD which (i) is owned by a public agency or expected to be owned by the federal government, State of California, County, City, or other public agency at the time of formation, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and acreage on a Final Subdivision Map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County or the City.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure consisting of two (2) or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them, and are offered as for-sale Units, including such residential structures that meet the statutory definition of a condominium contained in California Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means the Special Tax levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the Administrator, for any Fiscal Year to: (i) pay the costs of providing the Authorized Services during such fiscal year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish the Operating Reserve Fund, (iv) establish or replenish the Capital Replacement Reserve Fund, (v) pay incidental expenses related to the Authorized Services as authorized pursuant to the Act, (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year where such shortfall resulted from delinquencies in the payment of Special Taxes in such Fiscal Year that exceeded the estimated Special Tax delinquency amount included in the Special Tax Requirement for the preceding Fiscal Year, less (vii) any excess funds available in the Operating Reserve Fund, Capital Replacement Reserve Fund, or other funds associated with the CFD as determined by the Administrator.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the CFD that are not Exempt Property.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. Additional Tax Zones may be created when property is annexed to the CFD and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. All of the property within the boundaries of the CFD and at the time of formation of the CFD are in either Tax Zone No. 1 or Tax Zone No. 2.

“Tax Zone No. 1” means all property located within the area identified as Tax Zone No. 1 in Exhibit A to this RMA, subject to the interpretation of the Administrator as described in Section B.

“Tax Zone No. 2” means all property located within the area identified as Tax Zone No. 2 in Exhibit A to this RMA, subject to the interpretation of the Administrator as described in Section B.

“Undeveloped Property” means, in any Fiscal Year, all parcels of Taxable Property in the CFD for which a building permit for new construction was not issued by June 30th of the preceding Fiscal Year.

“Unit” means an individual single-family detached unit, or an individual attached residential unit within a duplex, triplex, four-plex, townhome, condominium, or apartment structure.

B. ASSIGNMENT TO CATEGORIES OF SPECIAL TAX

Each Fiscal Year, beginning with Fiscal Year 2018/19, using the definitions above, each Assessor’s Parcel within the boundaries of CFD No. 2018-01 shall be classified by the Administrator as Taxable Property or Exempt Property. Commencing with Fiscal Year 2018/19 and for each subsequent fiscal year, Taxable Property shall be subject to the levy of Special Taxes pursuant to Section C below. In addition, in each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the Administrator as Developed Property or Undeveloped Property.

C. MAXIMUM SPECIAL TAX RATE

The Maximum Special Tax for any Assessor’s Parcel classified as Developed Property or Undeveloped Property shall be determined by reference to the following tables:

TABLE 1
Tax Zone No. 1 – Copperleaf
Maximum Special Tax Rates
Community Facilities District No. 2018-01

Taxable Property Type	Maximum Special Tax
Single Family Residential	\$855.12 per parcel
Multi-Family Residential	\$513.07 per unit
Condominium-Townhome	\$641.34 per parcel/unit
Commercial	\$3,420.48 per acre
Hotel	\$342.05 per room
Industrial	\$1,710.24 per acre
Vacant-Undeveloped	\$213.78 per acre

TABLE 2
Tax Zone No. 2 – Rancho Vista
Maximum Special Tax Rates
Community Facilities District No. 2018-01

Taxable Property Type	Maximum Special Tax
Single Family Residential	\$1,091.14 per parcel
Multi-Family Residential	\$654.68 per unit
Condominium-Townhome	\$818.36 per parcel
Commercial	\$4,364.56 per acre
Hotel	\$436.46 per room
Industrial	\$2,182.28 per acre
Vacant-Undeveloped	\$272.78 acre

Under no circumstances will the Special Tax levied against any Assessor's Parcel be increased because of delinquency or default by the owner of any other Assessor's Parcel within the CFD by more than ten percent (10%) above what such Special Tax would have been in the absence of delinquencies.

Escalation of the Maximum Special Tax

Each Fiscal Year following the Base Year, the Maximum Special Tax shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this Rate and Method of Apportionment of Special Tax.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing with Fiscal Year 2018/19, and for each subsequent Fiscal Year, the Administrator shall levy the Special Tax at the rates established in Section C on all Taxable Property within the boundaries of CFD No. 2018-01 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

1. The Special Tax shall be levied proportionately on each Assessor's Parcel of Developed Property up to one hundred percent (100%) of the applicable Maximum Special Tax.
2. If additional monies are needed to satisfy the Special Tax Requirement after Developed Property has been levied one hundred percent (100%) of their Maximum Special Tax, the remaining amount needed to satisfy the Special Tax Requirement shall be levied proportionately on each Assessor's Parcel of Undeveloped Property at up to one hundred percent (100%) of the Maximum Special Tax.

E. EXEMPTIONS

The Administrator shall classify the following as Exempt Property: Public Property and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as Exempt Property under this section, such Assessor's Parcel shall be deemed to be Taxable Property.

F. PREPAYMENT OF SPECIAL TAX

The Maximum Special Tax may not be prepaid and shall continue to be levied in accordance with Section D of this Rate and Method of Apportionment of Special Tax on an annual basis on all Taxable Property in the CFD for the purpose of funding the ongoing Authorized Services.

G. TERM OF THE SPECIAL TAX

Parcels in the CFD will remain subject to the Special Tax in perpetuity, unless and until such time the City determines the revenues are no longer needed, in which case the Special Tax shall cease to be levied and the City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax shall additionally identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

H. REVIEW/APPEALS

The Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal of any property owner. The Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner who believes that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the Administrator regarding such error. If following such consultation, the Administrator determines that an error has occurred, the Administrator or designee shall take any of the following actions to correct the error:

- Amend the Special Tax levy on the property owner's Assessor's Parcel(s) for the current fiscal year,
- Require the CFD to reimburse the property owner for the amount of an overpayment to the extent of available CFD funds, or,
- Grant a credit against, eliminate or reduce the future Special Taxes on the property owner's Assessor's Parcel(s) for overpayment for the current fiscal year.

If following such consultation and action (if any by the Administrator), the property owner believes such error still exists, such person may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. If the City Manager, City Council or designee determines an error exists, the CFD Administrator shall take any actions as described in this section, in order to correct the error. The decision of the City Council shall be final and binding to all persons.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. The City may make interpretations by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the Administrator, may, at the sole discretion of the City, directly bill the Special Tax, and may collect the Special Taxes at a different time or in a different manner as necessary to meet the financial obligations of CFD No. 2018-01 or as otherwise determined appropriate by the Administrator.

K. REPEAL OF SPECIAL TAX

If the levy of the Special Tax is repealed by initiative or any other action participated in by the property owners of Assessor's Parcels in CFD No. 2018-01, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the Authorized Services for which the Special Tax was levied. The obligation to provide the Authorized Services previously funded by the repealed Special Tax shall become the joint obligations of the property owners of Assessor's Parcels within CFD No. 2018-01.