REPORT TO CITY COUNCIL

Initiation of proceedings for the annexation of Madera Place Apartments Project (Phase 2 of the Madera Family Apartments Project) into Community Facilities District 2013-1

RECOMMENDATION:
That Council adopt Resolutions:

1. Adopting a Boundary Map Showing the Territory Proposed for Annexation to Community Facilities District No. 2013-1; and,

2. Declaring Its Intention to Annex Territory to Community Facilities District No. 2013-1 (Public Services), to Authorize the Levy of Special Taxes Therein and Setting Public Hearing (Annexation No. 1).

SUMMARY:
The attached resolutions will begin the proceedings for the annexation of the “Project,” the Madera Place Apartments (Phase 2 of the development known as the Madera Family Apartments Project), into Community Facilities District (CFD) 2013-1.

DISCUSSION:
The conditions of approval for the Project originally required annexation into CFD 2005-1, which was established as an annexable district to provide funding to offset the increased cost for Public Services created by new development. The special taxes collected from the property owners within the district are used for the funding of police and fire protection services, storm drain infrastructure maintenance and operations, and park maintenance. Property owner assessments are paid as a component of the property tax collection process.

New residential projects in Madera are generally required to annex into Community Facilities District (CFD) 2005-1. The Madera Family Apartments Project was approved to provide a total of
72 affordable dwelling units. On August 11, 2011, the City Council considered and approved a request by the Corporation for Better Housing to allow prepayment (30 years) of the special tax associated with Community Facilities District 2005-1 for the Madera Family Apartments. Due to their inherent nature, affordable housing development projects generate very little cash flow from operations. For this reason, the Community Facilities Special Tax can become increasingly difficult to pay while maintaining financial stability and operating the development at an acceptable, high standard. Alternatively, prepayment is feasible during the project’s construction phases and helps ensure the development’s fiscal integrity in operations over the term. After the 30-year term, the mortgage will be paid and additional cash will be available to pay the annual special tax assessment.

On February 6, 2013, the Council adopted Resolution No. 13-24 declaring its intent to establish CFD No. 2013-1, a new CFD for the Madera Family Apartments Project established in-lieu of CFD 2005-1 in order to account for the special advance prepayment and to allow the “regular” special tax to be assessed after the affordability covenant expires. The boundary map adopted by the Council for the establishment of the district included only the territory comprising the Phase 1 portion of the apartment project.

Subsequently, on March 20, 2013, the Council adopted: (1) Resolution No. 13-41 to establish CFD No. 2013-01 and to authorize the levy of special tax to finance services; (2) Resolution No. 13-42 calling a special election, submitting proposition to voters and establishing an appropriations limit; and, (3) Resolution No. 13-43 declaring the results of the special election. Accordingly, on April 3, 2013, the Council adopted Ordinance No. 903 C.S. levying a special tax.

In August of 2013 prepayment was provided by 100 Stadium Rd LP in the amount of $175,246.00 for the 40 units developed within the Phase I portion of the affordable housing apartment project (Phase I referred to as the Madera “Family” Apartments). The owner now desires to provide prepayment for the balance of 32 units and respective territory comprising the Phase 2 portion of the project (Phase II referred to as the Madera “Place” Apartments).

As was originally envisioned with the establishment of the CFD 2013-1, a Mello Roos Community Facilities District, future residential projects and/or territory not included in the initial formation process are required to go through an annexation process in order to be included in CFD 2013-1. Projects may be annexed one at a time, or in a group if they are ready at the same time. Annexation to the CFD must occur before prepayment of the special tax may be received. The Rate and Method of Apportionment (RMA) will be amended to reflect a contemporary prepayment formula and to specify that payment of the special tax will resume after the 30-year prepaid period (and not on a specific fiscal year as was originally stipulated in the original RMA adopted for CFD 2013-1).

The Project, the Madera Place Apartments (Phase 2 of the development known as the Madera Family Apartments Project) is owned by Madera 2 L.P. The Phase 2 Project includes the development of 32 affordable residential dwelling units. The boundaries of the Project consist of
the territory within the Assessor’s Parcel Number (APN) 012-460-004 as depicted on Attachment 1.

<table>
<thead>
<tr>
<th>Table 1: Project Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Name</strong></td>
</tr>
<tr>
<td>Madera Place Apartments</td>
</tr>
</tbody>
</table>

The attached resolutions represents the first steps that must be taken in the annexation process. The resolution adopts a boundary map depicting the territory that is proposed for annexation and declares the City’s intention to annex the proposed territory into CFD 2013-1. Adoption of the resolution establishes September 6, 2023, as the public hearing date for the final consideration of the annexation of the property into CFD 2013-1. This will comprise the 1st annexation to CFD 2013-1.

FINANCIAL IMPACT:

As an alternative to the annual assessment of the special tax which typically occurs, the developer has proposed to prepay the special tax for a period of 30 years.

The proposed prepayment was derived from utilizing a present value calculation to assess what the total amount of the future payments is worth today. Utilizing the same terms originally authorized by the City Council the discount rate used to calculate present value was limited to 5% and that rate was incorporated into the calculations. Based on these calculations, the prepayment amount would be $7,040.58 per unit for the 30-year term, collected prior to the issuance of occupancy.

The estimated total revenue that will be received by the City (Fund 48040000) for the 32 units in Annexation No. 1 to CFD 2013-1 for the initial 30-year term will be $225,298.64. The maximum special tax rate includes an Annual Escalation Factor therefore, this amount will escalate over time and become due annually in the subsequent Fiscal Year following the 30-year prepayment term.

The proposed prepayment should provide a financial mechanism to cover the cost of providing services to the affordable housing project in a fashion very similar to what the annual CFD assessments would accomplish. After reviewing the request, staff believes the proposed prepayment is a reasonable accommodation for the affordable housing project.

ALTERNATIVES:

The City Council adopted Ordinance 903 C.S., which established the district and its special tax structure, on April 3, 2013. The Council could, at its discretion, consider alternative methods for funding the necessary services that are demanded by residential development and supported by City of Madera Public Service CFDs. Amendment of the ordinance would be required.
ATTACHMENTS:

1. Resolution – Adopting a Boundary Map
   Exhibit A – Annexation Map No. 1
2. Resolution – Declaring Intent to Annex No. 1
   Exhibit A – Annexation No. 1 Map
   Exhibit B – Rate and Method of Apportionment
3. Madera Family/Place Apartments Site Plan
ATTACHMENT 1
Resolution Adopting a Boundary Map

Including:
Exhibit A – Annexation Map No. 1
RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, ADOPTING A BOUNDARY MAP SHOWING TERRITORY PROPOSED FOR ANNEXATION TO CITY OF MADERA COMMUNITY FACILITIES DISTRICT NO. 2013-1 (ANNEXATION NO. 1)

WHEREAS, the City Council of the City of Madera, California, ("City Council"), formed a Community Facilities District, designated as Community Facilities District No. 2013-1 (hereafter referred to as “CFD No. 2013-1”), 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

WHEREAS, the City Council desires to initiate proceedings to annex the territory known as Madera Place Apartments being the second phase of the Madera Family Apartment Project ("Annexation No. 1") to CFD No. 2013-1. Annexation No. 1 will consist of 32 affordable multi-family residential units located on the east side of Stadium Road between Milano Lane & West Pecan Avenue; and

WHEREAS, there has been submitted a map attached as Exhibit A showing the territory proposed to be annexed to CFD No. 2013-1, said area to be designated as Community Facilities District No. 2013-1, Annexation No. 1.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA DOES HEREBY RESOLVE AS FOLLOWS:

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

SECTION 2. Annexation Map. The map showing Annexation No. 1 and to be subject to the levy of a special tax by CFD No. 2013-1 upon the annexation of such territory to CFD No. 2013-1 is hereby approved and adopted. Such map is designated by the name of “Annexation No. 1 to City of Madera Community Facilities District No. 2013-1.”

SECTION 3. Certificate. A certificate shall be endorsed on the original and on at least one (1) copy of the map of Annexation No. 1, evidencing the date and adoption of this Resolution, and within fifteen days after the adoption of the Resolution fixing the time and place of the Public Hearing on the intention to annex Annexation No. 1 to CFD No. 2013-1, a copy of said map shall be filed with the correct and proper endorsements thereon with County Recorder, all in the manner and form provided for in Section 3111 of the Streets and Highways Code of the State California.
EXHIBIT A

ANNEXATION MAP NO. 1
COMMUNITY FACILITIES DISTRICT NO. 2013-1

CITY OF MADERA
COUNTY OF MADERA
STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK THIS _______ DAY OF __________, 20______
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2013-1, CITY OF MADERA, COUNTY OF MADERA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MADERA AT A REGULAR MEETING, THEREOF, HELD ON THE _______ DAY OF __________, 20______, BY ITS RESOLUTION NO. ____________

CITY CLERK
CITY OF MADERA

FILED THIS _______ DAY OF __________, 20______, AT THE HOUR OF _______ O’CLOCK _______ M IN BOOK _______ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AND INSTRUMENT NO. _______ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF MADERA, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF MADERA
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY OF COMMUNITY FACILITIES DISTRICT NO. 2013-1 OF THE CITY OF MADERA RECORDED WITH THE MADERA COUNTY RecORDER’S OFFICE ON FEBRUARY 19, 2013, IN BOOK 5 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT ON PAGE 5.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE MADERA COUNTY ASSESSOR’S MAPS FOR THOSE PARCELS LISTED.

THE MADERA COUNTY ASSESSOR’S MAP SHALL GOVERN FOR ALL DETAIL CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

MAP REFERENCE NUMBER 1
ASSESSOR’S PARCEL NUMBER 012-460-004-000

Legend
- City Boundaries
- Annexation Parcels
- Map Reference Number

1 in = 101 feet
ATTACHMENT 2
Resolution Declaring Intent to Annex No. 1

Including:
Exhibit A – Annexation No. 1 Map
Exhibit B – Rate and Method of Apportionment
RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, DECLARING ITS INTENTION TO ANNEX TERRITORY MADERA PLACE APARTMENTS) TO THE CITY OF MADERA COMMUNITY FACILITIES DISTRICT NO. 2013-1 (PUBLIC SERVICES), TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN, AND SETTING PUBLIC HEARING (ANNEXATION NO. 1)

WHEREAS, the City Council of the City of Madera has conducted proceedings to establish Community Facilities District No. 2013-1 (Public Services) (the “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code; and

WHEREAS, under the Act, the City Council, as the legislative body for the CFD, is empowered with the authority to annex territory to the CFD, and now desires to undertake proceedings to annex the territory known as Madera Place Apartments being the second phase of the Madera Family Apartment Project (“Annexation No. 1”) to the CFD. Annexation No. 1 will consist of 32 affordable multi-family residential units located on the east side of Stadium Road between Milano Lane & West Pecan Avenue.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA, HEREBY RESOLVES:

SECTION 1. This Council hereby finds and determines that public convenience and necessity require that territory be added to the CFD.

SECTION 2. The name of the existing CFD is “Community Facilities District No. 2013-1 (Public Services)”. 

SECTION 3. The territory included in the existing CFD is as shown on the map of the district, recorded February 19, 2013, in Book 5 of Maps of Assessment and Community Facilities Districts, page 5, and as Instrument No. 2013004969 in the official records of the office of the County Recorder, County of Madera State of California, to which maps reference is hereby made which have been filed with the Madera County Recorder’s Office.

The territory now proposed to be annexed to the CFD is as shown on the Boundary Map of Annexation No. 1 to the CFD, on file with the City Clerk, a copy of which is attached hereto as Exhibit “A” and made a part hereof, the boundaries of which territory are hereby preliminarily approved. The City Clerk is hereby directed to cause the recordation of said Boundary Map of Annexation No. 1 to the CFD, showing the territory to be annexed, in the Office of the County Recorder of the County of Madera within fifteen days of the date of adoption of this resolution.
SECTION 4. The types of public services financed by the CFD and pursuant to the Act consist of those services (the “Services”) described in Exhibit B to Resolution No. 13-41 adopted by the Council on the 20th day of March 2013 (the “Resolution of Formation”). It is presently intended that the Services will be shared, without preference or priority, by the existing territory in the CFD and the territory proposed to be annexed to the CFD.

The District shall also finance costs associated with the determination of the amount of and the levy and collection of special taxes which are levied to provide such services and costs otherwise incurred in order to carry out the authorized purposes of the District.

SECTION 5. Except where funds are otherwise available to the CFD to pay for the Services provided for in Section 4 above and/or the principal and interest as it becomes due on bonds of the CFD issued to finance Services and/or the annual administrative expenses of the City and the District in determining, apportioning, levying and collecting such special taxes, special taxes sufficient to pay the costs thereof, shall be annually levied within the District. Pursuant to Section 53340 of the California Government Code, the special taxes shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes. However, under no circumstances shall the special tax levied against any parcel subject to the levy of the special tax pursuant to the rates and method of apportionment be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the District by more than ten percent (10%). The rate and method of apportionment of said special taxes shall be as set forth in Exhibit “B” attached hereto and by this reference made a part hereof.

SECTION 6. The City Staff presented Annexation No. 1 to City Council at a Council Meeting on August 2, 2023, in order to begin annexation proceedings.

SECTION 7. Notice is given that on September 6, 2023, at 6:00 p.m., in the regular meeting place of this Council, being the City Council Chambers, located at 205 W. 4th St, Madera, California, the Council, as legislative body for the CFD, will conduct a public hearing on the annexation of territory to the CFD and consider and finally determine whether the public interest, convenience and necessity require said annexation of territory to the CFD and the levy of said special tax therein.

SECTION 8. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation in the area of the CFD. The publication of said notice shall be completed at least seven days before the date herein set for said hearing. Said notice shall be substantially in the form specified in Section 53339.4 of the Act. The City Clerk shall also cause a copy of the Resolution of Annexation, or a notice thereof, to be mailed to each landowner (and to each registered voter, if any) within the territory proposed to be annexed, which resolution or notice shall be mailed at least fifteen days before the date of said hearing.
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION MAP NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 2013-1, CITY OF MADERA, COUNTY OF MADERA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MADERA AT A REGULAR MEETING, THEREOF, HELD ON THE ___________ DAY OF ___________, 20__, BY ITS RESOLUTION NO. ___________.

CITY CLERK
CITY OF MADERA

FILED THIS ___________ DAY OF ___________, 20__, AT THE HOUR OF ___________ O'CLOCK ___________ M. IN BOOK ___________ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AND INSTRUMENT NO. ___________ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF MADERA, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF MADERA
STATE OF CALIFORNIA

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THE MADERA COUNTY ASSESSOR'S MAP SHALL GOVERN FOR ALL DETAIL CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

1 012-460-004-000
EXHIBIT B

CITY OF MADERA
COMMUNITY FACILITIES DISTRICT NO. 2013-1
ANNEXATION NO. 1
RATE AND METHOD OF APPORTIONMENT

A Special Tax of Community Facilities District No. 2013-1 of the City of Madera (the “District”) shall be levied on all Assessor's Parcels in Annexation No. 1 of the District (the “Annexation”) and collected each Fiscal Year commencing in Fiscal Year 2024-25 in an amount determined by the City through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the Annexation, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“A. Act” means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended, which authorizes the establishment of the District to finance: a) police protection services, and b) fire protection and suppression services, c) park maintenance, d) storm drainage system operation and maintenance and other services as defined herein including but not limited to ambulance and paramedic services.

“Administrative Expenses” means the actual or estimated costs incurred by the City as administrator of the District to determine, levy and collect the Special Taxes, including the proportionate amount of the salaries and benefits of City employees whose duties are directly related to administration of the District and the fees of consultants, 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 District as determined by the City.

“Annexation” means Annexation No. 1 of the District.

“Annual Escalation Factor” means the greater of the increase in the annual percentage change of the All Urban Consumers Consumer Price Index (CPI) or three percent (3%). The annual CPI used shall be for the area of San Francisco-Oakland-San Jose, CA as reflected in the then-current April update. The annual CPI used shall be as determined by the United States Department of Labor, Bureau of Labor Statistics, and may be obtained through the California Division of Labor Statistics and Research (www.dir.ca.gov/dlsr). If the foregoing index is not available, the District Administrator shall select a reasonably comparable index.

“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 Assessor of the County designating parcels by assessor's parcel number.

“Base Year” means Fiscal Year ending June 30, 2024.
“Building Permit” means a permit for new construction for a residential dwelling or non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation.

“Certificate of Occupancy” means a document issued by the City certifying that the building is compliant with applicable building codes and other laws and indicating it to be in a condition suitable for occupancy.

“City” means the City of Madera.

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

“County” means the County of Madera, California.

“Developed Property” means all Taxable Property, exclusive of Property Owner Association Property, Non-Residential Property, or Public Property, for which a Building Permit was issued prior to May 1st preceding the Fiscal Year in which the Special Tax is being levied.

“District 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.

“District” means Community Facilities District No. 2013-1 of the City of Madera.

“Entitled Property” means an Assessor’s Parcel and/or Lot in the Annexation, which has a Final Map recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, but for which no Building Permit has been issued prior to the May 1st preceding the Fiscal Year in which the Special Tax is being levied. The term “Entitled Property” shall apply only to Assessors’ Parcels and/or Lots, which have been subdivided for the purpose of residential development, excluding any Assessor’s Parcel that is designated as a remainder parcel determined by final documents and/or maps available to the District Administrator.

“Final Map” means an Assessor’s Parcel Map, a final subdivision map, other parcel map, other final map, other condominium plan, or functionally equivalent map that has been recorded in the Office of the County Recorder.

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

“Land Use Class” means any of the classes listed in Table 1.

“Lot” means property within a recorded Final Map identified by a lot number for which a Building Permit has been issued or may be issued.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C below that can be levied in the Annexation in any Fiscal Year on any Assessor’s Parcel.

“Multi-Family Residential” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing a residential structure consisting of two or more residential units that share common walls, including, but not limited to, duplexes, triplexes, town homes, condominiums, and apartment units.
“Non-Residential Property” means all Assessors’ Parcels for which a Building Permit(s) has been issued for non-residential use and does not contain any residential units as defined under Single Family Residential or Multi-Family Residential.

“Property Owner Association Property” means any property within the boundaries of the District that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to a property owner association, including any master or sub-association.

“Proportionately” means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Class.

“Public Property” means any property within the boundaries of the District that is, at the time of the District formation or at the time of an annexation, expected to be used for rights-of-way, parks, schools or any other public purpose and is owned by or irrevocably offered for dedication to the federal government, the State, the County, the City or any other public agency.

“Service Costs” means the estimated and reasonable costs of providing police protection services and fire protection and suppression services, including but not limited to (i) the costs of contracting services, (ii) equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of City staff that directly provide police protection services and fire protection and suppression services and other services as defined herein, respectively, (iv) City overhead costs associated with providing such services within the District, (v) park maintenance, and (vi) storm drainage system operation and maintenance. On each July 1 following the Base Year, the increases attributed to salaries and benefits shall be calculated and limited to the increase based on the Annual Escalation Factor. The Special Tax will finance Services that are in addition to those provided in or required for the territory within the District and will not be replacing Services already available. The Special Tax provides only partial funding for police services, fire suppression and protection services, park maintenance, and storm drainage system operation and maintenance.

“Single-Family Residential” means all Assessor’s Parcels of Developed Property for which a Building Permit(s) has been issued for purposes of constructing one single-family residential dwelling unit.

“Special Tax” means the Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement and shall include Special Taxes levied or to be levied under Sections C and D, below.

“Special Tax Requirement” means that amount required in any Fiscal Year for the District to: (i) pay for Service Costs; (ii) pay reasonable Administrative Expenses; (iii) pay any amounts required to establish or replenish any reserve funds; and (iv) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less any surplus of funds available from the previous Fiscal Year’s Special Tax levy.

“State” means the State of California.

“Taxable Property” means all of the Assessor's Parcels within the boundaries of the District and any future annexation to the District that are not exempt from the Special Tax pursuant to law or as defined herein.

“Undeveloped Property” means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property not classified as Developed Property or Entitled Property, including an Assessor’s Parcel that is designated as a remainder parcel and is not identified as potential Public Property by any final documents and/or maps available to the District Administrator.

“Unit” means any separate residential dwelling unit in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year using the definitions above, all Taxable Property within the Annexation shall be classified as Developed Property, Entitled Property, or Undeveloped Property. Developed Property shall be further classified as Developed Single-Family Residence or Developed Multi-Family Residence. The tables below reflect the Special Tax for Fiscal Year ending June 30, 2024 and in each subsequent year, thereafter, the Maximum Special Tax in Tables 1 and 2 shall be increased in accordance with the Annual Escalation Factor.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

<table>
<thead>
<tr>
<th>Land Use Class</th>
<th>Description</th>
<th>Maximum Special Tax Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Single-Family Residence</td>
<td>$598.63 per Unit</td>
</tr>
<tr>
<td>2</td>
<td>Multi-Family Residence</td>
<td>$548.59 per Unit</td>
</tr>
</tbody>
</table>

On each July 1 following the Base Year (i.e., July 1, 2024), the Maximum Special Tax Rates in Table 1 shall be increased in accordance with the Annual Escalation Factor.

2. Entitled Property

TABLE 2
Maximum Special Tax for Entitled Property
Community Facilities District No. 2013-1
Annexation No. 1
On each July 1 following the Base Year (i.e., July 1, 2024), the Maximum Special Tax Rates in Table 2 shall be increased in accordance with the Annual Escalation Factor.

3. **Tax-Exempt Property**

   No Special Tax shall be levied on Tax-Exempt Property.

4. **Multiple Land Use Classes**

   In some instances an Assessor’s Parcel may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor’s Parcel shall be the sum of the Maximum Special Tax levies that can be imposed on all Land Use Classes located on that Assessor’s Parcel.

D. **METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2024-25, and for each subsequent Fiscal Year, the District Administrator shall calculate the Special Tax Requirement based on the definitions in Section A and levy the Special Tax as follows until the amount of the Special Tax levied equals the Special Tax Requirement. First, the Special Tax shall be levied each Fiscal Year on each Assessor’s Parcel of Developed Property Proportionately between Developed Single-Family Residence and Developed Multi-Family Residence up to 100% of the applicable Maximum Special Tax. Second, if the Special Tax Requirement has not been satisfied by the first step, then the Special Tax shall be levied each Fiscal Year on each Assessor’s Parcel of Entitled Property up to 100% of the applicable Maximum Special Tax for Entitled Property.

E. **PREPAYMENT OF THE SPECIAL TAX**

The Special Tax obligation of an Assessor’s Parcel of Taxable Property classified as Entitled Property may be prepaid for a 30-year period prior to the issuance of a Certificate of Occupancy. The prepayment amount for an Assessor’s Parcel classified as Entitled Property is shown in Table 3 below.

<table>
<thead>
<tr>
<th>Land Use Class</th>
<th>Description</th>
<th>Maximum Special Tax Per Lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Entitled Property</td>
<td>$319.52 per Lot</td>
</tr>
</tbody>
</table>

**TABLE 3**  
Entitled Property  
30-Year Prepayment Amount

<table>
<thead>
<tr>
<th>Land Use Type</th>
<th>Special Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
</tr>
<tr>
<td>Single-Family Residence</td>
<td>$7,682.82 per Unit</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Multi-Family Residence</td>
<td>$7,040.58 per Unit</td>
</tr>
</tbody>
</table>

For Assessor’s Parcels that prepay their Special Tax obligation, for the first 30 years of occupancy, no special tax shall be levied. Once an Assessor’s Parcel has been occupied for thirty (30) years, such Assessor’s Parcel shall be subject to the applicable Special Tax in the subsequent Fiscal Year following the 30th year of the issuance of the original Certificate of Occupancy.

F. **APPEALS**

Any taxpayer that believes that the amount of the Special Tax assigned to an Assessor’s Parcel is in error may file a written notice with the District Administrator appealing the levy of the Special Tax. This notice is required to be filed with the District Administrator during the Fiscal Year the error is believed to have occurred. The District Administrator or designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the District Administrator verifies that the tax should be changed, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

G. **EXEMPTIONS**

No Special Tax shall be levied on Non-Residential Property, Undeveloped Property, Property Owner Association Property or Public Property.

H. **MANNER OF COLLECTION**

Special Tax as levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the District Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the District or as otherwise determined appropriate by the District Administrator.

I. **TERM OF SPECIAL TAX**

After the establishment of the Annexation, the City Council may reexamine, if deemed necessary by City Council, the necessity of the continuance of the Special Tax through the preparation of a Fiscal Impact Analysis, otherwise the Special Tax shall be levied in perpetuity.
ATTACHMENT 3
Madera Family/Place Apartments Site Plan