

**RESOLUTION NUMBER 2912**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2001-3; AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN COMMUNITY FACILITIES DISTRICT NO. 2001-3; ESTABLISHING AN APPROPRIATIONS LIMIT; AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT**

**WHEREAS**, the City Council (the “Council”) of the City of Perris, California (the “City”), on December 11, 2001, has heretofore adopted its resolution of intention (the “Resolution of Intention”) stating its intention to form Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the “Act”) being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

**WHEREAS**, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the District and setting forth the rate and method of apportionment and manner of collection of the special tax to be levied within the proposed District is on file with the City Clerk and incorporated herein by reference with such changes to the terms thereof, including but not limited to, revisions to the rate and method of apportionment of the special tax as have been made and submitted with this Resolution; and

**WHEREAS**, a report by each City officer who is or will be responsible for the District (the “Report”), has been filed with the Council pursuant to the Resolution of Intention; and

**WHEREAS**, the Resolution of Intention set January 8, 2002, as the date of the public hearing on the formation of the District and this Council held the said public hearing as required by law; and

**WHEREAS**, at said hearing all persons not exempt from the special tax desiring to be heard on all matters pertaining to the formation of the District were heard and a full and fair hearing was held; and

**WHEREAS**, at said hearing evidence was presented to the Council on said matters before it, and this Council at the conclusion of said hearing is fully advised in the premises;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1.** That the above recitals are all true and correct.

**Section 2.** Pursuant to Section 53325.1(b) of the Government Code, the Council finds and determines that the proceedings prior hereto were valid and in conformity with the requirements of the Act including, without limitation, the following:

Proceedings to establish the District instituted by the City Council on its own initiative;

Adoption of a Resolution of Intention to establish the District;

Publication of notice of public hearing on the establishment of the District and of the levy of a special tax;

Conducting of a public hearing on the establishment of the District, the proposed public services and the levy of a special tax, at which time all interested persons or taxpayers not exempt from the special tax were permitted to protest orally or in writing against the establishment of the District were permitted to file written protests to the regularity or sufficiency of the proceedings, and any person interested, including persons owning property within the District, were permitted to appear and present any matters material to the questions set forth in the Resolution of Intention.

**Section 3.** The Report, as now submitted is hereby approved and is made a part of the record of the hearing, and is ordered kept on file with the transcript of these proceedings and open for public inspection.

**Section 4.** A community facilities district to be designated “City of Perris Community Facilities District No. 2001-3 (North Perris Public Safety)” (“the District”) is hereby established pursuant to the Act.

**Section 5.** The description and map of the boundaries of the District on file in the City Clerk’s office and as described in said Resolution of Intention and incorporated herein by reference, shall be the boundaries of the District. The map of the proposed boundaries of the District has been recorded in the Office of the County Recorder of Riverside County, California in Book 50, page 48 of the Book of Maps of Assessments (Document Number 2001-631677).

**Section 6.** Except where funds are otherwise available, there shall be levied annually in accordance with procedures contained in the Act a special tax within the District, secured by recordation of a continuing lien against all nonexempt real property in the District, sufficient to pay for the Services and Incidental Expenses. The rate and method of apportionment and manner of collection of the special tax within the District is described in detail in Exhibit “A” attached hereto and incorporated herein by this reference. Exhibit “A” allows each landowner within the District to estimate the maximum amount that may be levied against each parcel.

**Section 7.** If special taxes of the District are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased over time except that it may be increased by an amount not to exceed two percent (2%) per year to the

extent permitted in the rate and method of apportionment; (ii) such tax shall be levied in perpetuity, as further described in Exhibit "A" hereto; and (iii) under no circumstances will such special tax be increased more than ten percent (10%) as a consequence of delinquency or default by the owner of any other parcels within the District by more than ten percent.

**Section 8.** The special tax within the District is based on the expected demand that each parcel of real property the District will place on the Services, on the benefit that each parcel derives from the right to access the Services and on other factors. The Council hereby determines the rate and method of apportionment of the special tax set forth in Exhibit "A" to be reasonable. The special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such special tax is not based upon the value or ownership of real property. In the event that a portion of the property within Community Facilities District No. 2001-3 shall become for any reason exempt, wholly or partially, from the levy of the special tax specified on Exhibit "A", the Council shall, on behalf of Community Facilities District No. 2001-3, cause the levy to be increased, subject to the limitation of the maximum special tax for a parcel as set forth in Exhibit "A," to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the special tax revenues required for the purposes described herein. The obligation to pay special taxes may be prepaid as set forth in Exhibit "A."

**Section 9.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the District, and this lien shall continue in force and effect until the special tax obligation is prepaid or otherwise permanently satisfied and the lien cancelled in accordance with law or until collection of the tax by the District ceases.

**Section 10.** In the event that a portion of the property in the District shall become for any reason exempt, wholly or partially, from the levy of the special tax specified in Exhibit "A" the Council shall, on behalf of the District, increase the levy to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the required payments, subject to the maximum tax.

**Section 11.** The Council finds that the Services, set forth in Exhibit "B" hereto are necessary to meet the increased demand put upon the City as a result of the development within the District.

**Section 12.** The Council finds that there is not an ad valorem property tax currently being levied on property within the proposed District for the exclusive purpose of financing the provision of the same services to the territory of the District as provided by the Services.

**Section 13.** An appropriation limit for the District is hereby established as an amount equal to all the proceeds of the special tax collected annually and as defined by Article XIII B of the California Constitution, as adjusted for changes in the cost of living and changes in population.

**Section 14.** Written protests against the establishment of the District, or against the furnishing of specified services or facilities or the levying of a specified special tax within the District, have not been filed by fifty percent (50%) or more of the registered voters or property owners of one-half (1/2) or more of the area of land within the District.

**Section 15.** The proposed special tax to be levied in the District to pay for all the proposed services has not been precluded by protests by owners of one-half or more of the land in the territory included in the District pursuant to Government Code Section 53324.

**Section 16.** Pursuant to Section 53325.7 and 53326 of the Act, a special election is hereby called on behalf of the District on the proposition of levying the special tax on the territory within the District and establishing an appropriations limit therein. The proposition relating to the District authorizing the levy of the special tax on the Property and establishing an appropriations limit shall be substantially in the form attached hereto as Exhibit "C".

**Section 17.** The special election for the District on the proposition of authorizing the levy of the special tax on the Property and establishing an appropriations limit shall be held on April 29, 2002.

**Section 18.** It is hereby found that there were fewer than twelve (12) registered voters that resided within the territory of the proposed District during each of the ninety (90) days preceding the closing of the January 29, 2002, public hearing regarding the levy of the special tax on the territory within the District and establishing an appropriations limit therein and, pursuant to Section 53326 of the Act, the ballots for the special election shall be distributed by personal service, or by mail, with return postage prepaid, by the Election Official, to the landowners of record within the District as of the close of the public hearing. Each landowner shall have one (1) vote for each acre or portion thereof that he or she owns within the District, as provided in Section 53326 of the Act and may return the ballot by mail or in person to the Election Official not later than 8:00 p.m. on April 29, 2002, or 5:00 p.m. on another election day mutually agreed to by the Election Official and the landowners. In accordance with Section 53326(d) of the Act, the election shall be closed and the results certified by the Election Official as soon as all qualified electors have voted.

**Section 19.** 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 within the District as determined by the Legislative Body after the canvass of the returns of such election, the Legislative Body may levy such special tax within the District under the Act in the amount and for the purposes as specified in this Resolution. 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 the special tax may be levied at a rate lower than that specified herein and the maximum annual tax rate may be lowered. Such special tax may be levied so long as it is needed to pay for the financing of the services.

**Section 20.** The Elections Official shall cause to be published once in a newspaper of general circulation the text of Proposition A, along with a description of the

election proceedings. The publication shall also state that only the qualified electors in the District may vote on the proposition and that the canvass of the election will take place in the office of the City Clerk following the close of the election.

**Section 21.** The City Attorney shall prepare an impartial analysis of the Proposition in accordance with Section 9280 of the Elections Code.

**Section 22.** The Council, or any member of the Council authorized by the Council, may file with the Elections Official a written argument for or against the Proposition in accordance with Section 53327 of the Government Code and Section 9282 of the Elections Code.

**Section 23.** The Elections Official shall accept written arguments for or against Proposition A from any qualified elector in the District or all other persons authorized by law to submit arguments. All written arguments shall not exceed 300 words in length and shall be delivered to the City Clerk at 101 North "D" Street, Perris, California 92570, no later than 5:00 o'clock p.m. on March 29, 2001.

**Section 24.** The District shall constitute a single election precinct for the purpose of holding said election. Following the close of the election, the election shall be canvassed at the office of the City Clerk, 101 North "D" Street, Perris, California 92570.

**Section 25.** The Office of the City Manager, 101 North "D" Street, Perris, California 92570, (909) 943-6100, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.1 of the Government Code.

**Section 26.** The City Clerk is directed to certify and attest to this Resolution, and to take any and all necessary acts to call, hold, canvass and certify an election or elections on the levy of the special tax, and the establishment of the appropriation limit.

**Section 27.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED, SIGNED and APPROVED** this 29<sup>th</sup> day of January, 2002.

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Mayor, Daryl R. Busch

ATTEST:

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City Clerk, Margaret Rey

STATE OF CALIFORNIA )  
COUNTY OF RIVERSISDE ) §  
CITY OF PERRIS )

I, Margaret Rey, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 2912 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 29<sup>th</sup> day of January, 2002, and that it was so adopted by the following called vote:

AYES: Rogers, Yarbrough, Landers, Motte, Busch  
NOES:  
ABSENT:  
ABSTAIN:

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City Clerk, Margaret Rey

**EXHIBIT "A"**  
**(RESOLUTION NUMBER 2912)**

**CITY OF PERRIS**  
**COMMUNITY FACILITIES DISTRICT NO. 2001-3**  
**(North Perris Public Safety)**  
**SPECIAL TAX RATE AND METHOD OF APPORTIONMENT**

I. Basis of Special Tax Levy

Subject to the limitations stated below, a Special Tax shall be levied on all Taxable Property in Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris ("CFD No. 2001-3") and collected each Fiscal Year commencing in Fiscal Year 2002-03 in an amount determined by the Council through the application of this Rate and Method of Apportionment of the Special Tax. All of the real property in CFD No. 2001-3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

II. 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 costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and 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 CFD No. 2001-3 as determined by the Finance Director.

"**Annual Cost(s)**" means for each Fiscal Year, the total of 1) the estimated cost of services provided through the Police & Fire Protection Program adopted by the City; 2) Administrative Expenses, and 3) any amounts needed to cure actual or projected delinquencies in Special Taxes for the current or previous Fiscal Year.

"**Annual Tax Escalation Factor**" means an increase in the Maximum Special Tax Rate each year following the Base Year in an amount not to exceed 2% annually.

"**Base Year**" means Fiscal Year ending June 30, 2003.

"**CFD No. 2001-3**" means the Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris.

"**City**" means the City of Perris, California.

"**Council**" means the City Council of the City of Perris as the legislative body for CFD No. 2001-3 under the Act.

"**County**" means the County of Riverside, California.

"**Developed Parcel**" means, for each Fiscal Year, each Parcel for which a building permit for new construction or renovations was issued prior to March 1 of the previous Fiscal Year.

"**Exempt Parcel**" means any Parcel that is not a Residential Parcel or a Non-Residential Parcel. Exempt Parcels are exempt from the levy of Special Taxes.

"**Finance Director**" means the Finance Director for the City of Perris or his or her designee.

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

"**Maximum Special Tax**" means the greatest amount of Special Tax that can be levied against a Parcel in a given Fiscal Year calculated by multiplying the Maximum Annual Special Tax Rate by the relevant acres or units of the Parcel.

"**Maximum Special Tax Rate**" means the amount determined pursuant to Section IV below, which will be used in calculating the Maximum Special Tax for a Parcel based on its land use classification. Each Fiscal Year following the Base Year, the Maximum Special Tax Rate shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this Rate and Method of Apportionment.

"**Maximum Special Tax Revenue**" means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Special Tax.

"**Multi-Family Unit**" means each multi-family attached residential unit located on a Developed Parcel.

"**Non-Residential Acres**" means the acreage of a Non-Residential Parcel. The acreage assigned to such a Parcel shall be that shown on the County assessor's parcel map.

"**Non-Residential Parcel**" means a Developed Parcel for which a building permit(s) was issued for private non-residential use. Non-Residential Parcels do not include Parcels that are intended to be, (1) publicly owned or owned by a regulated public utility, or (2) assigned minimal value or is normally exempt from the levy of general *ad valorem* property taxes under California law, including homeowners association property, public utility, public streets; schools; parks; and public drainage ways, public landscaping, greenbelts, and public open space.

"**Parcel**" means a lot or parcel shown on an assessor's parcel map with an assigned assessor's parcel number located in CFD No. 2001-3 based on the last equalized tax rolls of the County.

"**Police & Fire Protection Program**" means a program adopted by the Council pursuant to Section 53313 of the Act for the provision, in a defined area of benefit, of police and fire protection services that are in addition to those services that would be provided to the area of CFD No. 2001-3 if CFD No. 2001-3 were not in existence. The area of benefit of a Police & Fire



Protection Program may be either City-wide, or, if the electorate of the City does not approve such a City-wide program, then in a benefit area in the northern portion of the City that includes but is not limited to the area of CFD No. 2001-3.

**"Residential Parcel"** means a Developed Parcel for which a building permit(s) was issued for residential use.

**"Single-Family Unit"** means a Developed Parcel used for single-family detached residential development.

**"Special Tax(es)"** means any tax levy under the Act in CFD No. 2001-3.

**"Taxable Property"** means every Residential Parcel and Non-Residential Parcel.

### III. Duration of the Special Tax

- A. **Commencement of the Special Tax.** Notwithstanding anything to the contrary contained herein, the Special Taxes shall not be levied until, (i) the City has placed on a City-wide election for approval by the electorate of a City-wide parcel tax or utility user tax to fund a City-wide Police & Fire Protection Program, or (ii) if such taxes are not approved in the City-wide election, then the City has adopted a Police & Fire Protection Program for the northern area of the City, including but not limited to the area of CFD No. 2001-3, and the City has made provisions to pay for that portion of the Police & Fire Protection Program that benefits areas outside CFD No. 2001-3 from sources other than CFD No. 2001-3 Special Taxes. If Special Taxes have not commenced by January 1, 2005 based on (i) and (ii) above the Council shall cause a Notice of Cancellation of Special Tax Lien to be recorded at the County.
- B. **Duration of Special Tax.** Taxable Property in CFD No. 2001-3 shall remain subject to the Special Tax in perpetuity, unless terminated earlier pursuant to Section III.C. below.
- C. **Termination of Special Tax.** All Special Taxes of CFD No. 2001-3 shall terminate if (i) the Police & Fire Protection Program is terminated, or (ii) the City fails to fund, from sources other than CFD No. 2001-3 Special Taxes, the costs of the Police & Fire Protection Program that are properly allocable to areas outside CFD No. 2001-3, or (iii) if by January 1, 2005, a Police and Fire Protection Program has not been adopted by the Council. If the special taxes are terminated based on this section the Council shall cause a Notice of Cancellation of Special Tax Lien to be recorded at the County.

### IV. Assignment of Maximum Special Taxes

- A. **Classification of Parcels.** Each Fiscal Year, using the Definitions above, each Parcel of Taxable Property is to be classified as either a Residential Parcel or Non-Residential Parcel. Each Residential Parcel is to be further classified as either a Single-Family Unit or as the number of Multi-Family Units located on such Parcel.

B. Maximum Special Tax Rates

Tax Status	Base Year Maximum Special Tax Rate [1]	Tax Levy Basis
a. Residential Parcel Single-Family Unit Multi-Family Unit Non-Residential Parcel	 \$250 \$50 \$1,000	 per unit per unit per acre

[1] Each Fiscal Year following the Base Year of FY 2002/03, the Maximum Special Tax Rates shall be increased in accordance with the Annual Tax Escalation Factor.

C. Credit Reductions of Maximum Special Tax Rates. The Maximum Special Tax Rates determined pursuant to Section IV.B above will be reduced on an annual basis by either (i) a credit equal to the amount of a parcel tax imposed within CFD No. 2001-3 for the Police & Fire Protection Program, or (ii) a credit, in an amount reasonably determined by the Finance Director and approved by the Council, for any utility users tax or any other tax, assessment or charge imposed for the Police & Fire Protection Program.

V. Setting The Annual Special Tax Levy

The Special Tax levy for each Parcel of Taxable Property will be established annually as follows:

- A. Compute the Annual Costs using the definitions in Section II.
- B. Calculate the available special tax revenues by taxing each Parcel of Taxable Property at 100% of its Maximum Special Tax. If revenues are greater than the Annual Costs, reduce the tax proportionately against all Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
- C. Levy on each Parcel of Taxable Property the amount calculated above. No Special Tax shall be levied on Exempt Parcels.

The City shall make every effort to correctly assign the number of taxable units and 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.

VI. Administrative Changes and Appeals

The Finance Director or designee has the authority to make necessary administrative adjustments to the Rate and Method of Apportionment in order to remedy any portions of the Special Tax formula that require clarification.

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director will then promptly review the appeal, and if necessary, meet with the applicant. If the Finance Director 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 CFD No. 2001-3.

#### VII. 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 "B"**  
**(RESOLUTION NUMBER 2912)**

TYPES OF SERVICES TO BE FINANCED BY  
COMMUNITY FACILITIES DISTRICT NO. 2001-3

Fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto.

**EXHIBIT "C"**  
**(RESOLUTION NUMBER 2912)**

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY)  
OF THE CITY OF PERRIS

SPECIAL TAX AND APPROPRIATIONS LIMIT ELECTION  
April 29, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to \_\_\_\_\_, as owner or authorized representative of such sole owner of \_\_\_ acres of land within Community Facilities District No. 2001-2 (Villages of Avalon) of the City of Perris and represents \_\_\_ votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

**PROPOSITION A:** Shall a Special Tax be levied within Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris to pay for the provision of fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; and police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto, as authorized in the Resolution; and shall an appropriations limit be established for Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes population?

YES

NO