

RESOLUTION NUMBER 3031

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO

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, within the territory described more fully on the map entitled “Boundary Map, County of Riverside, California, Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris,” a copy of which is on file with the City Clerk of the City of Perris; and

WHEREAS, on January 29, 2002, the Council adopted Resolution No. 2912 which established the District and called an election within the District on the proposition of levying a special tax; and

WHEREAS, on June 10, 2002, an election was held within the District at which the qualified electors approved by more than a two-thirds (2/3) vote the proposition of levying a special tax pursuant to a special tax formula (the “Rate and Method of Apportionment”) as set forth in Resolution No. 2912 and attached hereto and incorporated herein as Exhibit “A”, showing the tax levels in fiscal year 2002-03

WHEREAS, on June 25, 2002, the Council adopted Ordinance No. 1104 (the “Ordinance”) which provided for the levying and collection of special taxes (the “Special Taxes”) within the District, as provided in the Act and the Ordinance in accordance with the Rate and Method of Apportionment; and

WHEREAS, a petition (the “Petition”) attached hereto as Exhibit “B” requesting the institution of proceedings for annexation to the District signed by the landowners within the proposed territory to be annexed (the “Property”) as more fully described on Exhibit “C”, attached hereto and incorporated herein, has been received, filed with and accepted by the City Clerk of the City of Perris; and

WHEREAS, the Council has duly considered the admissibility and necessity of instituting proceedings to annex the Property to the District under and pursuant to the terms and provisions of Article 3.5 of the Act, commencing with Government Code Section 53339; and

WHEREAS, the Council has determined to institute proceedings for the annexation of such Property to the District, and has determined to (a) set forth the boundaries of

the territory which is proposed for annexation to the District, (b) state the public services to be provided in and for the Property, (c) specify the special taxes to be levied with the Property, and (d) set a date, time and place for a public hearing relating to the annexation of the Property to the District and the levy of special tax therein to pay for such public facilities;

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. It is the intention of the Council, acting as the legislative body of the District, to annex the Property to the District under and pursuant to the terms and provisions of the Act. The boundaries of the Property proposed for annexation to the District are more particularly described and shown on that certain map entitled "Proposed Boundaries of Annexation No. 1, Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris" that has been filed with the City Clerk of the City and a copy of which, together with a legal description of such territory, is described on Exhibit "C". The City Clerk is hereby authorized and directed to endorse the Certificate on said map evidencing the date and adoption of this resolution and is further authorized and directed to file said map with the County Recorder of the County of Riverside in accordance with the provisions of Section 3111 of the California Streets and Highways Code within fifteen (15) days of the adoption of this resolution and not later than fifteen (15) days prior to the date of the public hearing as set forth in Section 5 hereof.

Section 3. It is the intention of the Council to order the financing of (1) fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; (2) police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto (collectively, the "Services"); and (4) the incidental expenses to be incurred in connection with financing the Services and forming and administering the District (the "Incidental Expenses"). The Services are public services that the City or a public agency is authorized by law to contribute revenue to or to provide. A description of the types of Services to be financed is set forth in Resolution No. 2912 and incorporated herein by this reference. The Services to be financed by or on behalf of the District are necessary to meet present or increased demand upon the City and other public agencies as a result of development occurring within the boundaries of the Property. The Property, on a per unit basis, will share in the cost of the Services in the same proportion as units with the existing District pursuant to the Rate and Method of Apportionment. The description of the Services shown in Resolution No. 2912 is general in nature. The final nature and location of the Services will be determined upon the preparation of final plans and specifications which may show substitutes in lieu of, or modifications to, the proposed Services. Any such substitution shall not be deemed a change or modification of the Services so long as the substitution provides a service substantially similar to the Services.

Section 4. It is the intention of the City Council that, except where funds are otherwise available, a special tax sufficient to pay for the Services and the Facilities, including

the repayment of funds advanced to the District, annual administration expenses in determining, apportioning, levying and collecting such special taxes, secured by recordation of a continuing lien against all non-exempt real property within the boundaries of the Property, will be levied annually on land within the boundaries of the Property. The Rate and Method of Apportionment shall remain unchanged as a result of the proposed annexation. The Property will be subject to the Special Tax pursuant to the Rate and Method of Apportionment. The special tax as apportioned to each parcel within the Property is apportioned on the basis of benefit as determined by the City Council and as permitted by Section 53339.3 of the Act, and the apportionment of the special tax is not on or based upon the value or ownership of real property.

Section 5. Notice is hereby given that on the 10th day of December, 2002, at the hour of 6:00 p.m., or as soon thereafter as is practicable, in the chambers of the City Council of the City of Perris, 101 North "D" Street, Perris, California 92570, a public hearing will be held at which the City Council, as the legislative body of the District, shall consider the proposed annexation of the Property and all other matters as set forth in this Resolution of Intention. At the above-mentioned time and place for such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the District and the Property proposed to be annexed, may appear and be heard, and such testimony for or against the proposed annexation will be heard and considered.

Section 6. Any protests may be made orally or in writing, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. If written protests against the proposed annexation are filed by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the existing District, or by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the Property proposed to be annexed, or by owners of one-half (1/2) or more of the area of land included within the existing District, or by owners of one-half (1/2) or more of the area of land proposed to be annexed to the District, the proceedings shall be abandoned as to those matters receiving a majority protest.

Section 7. If, following the public hearing described herein, the Council determines to annex the Property to the District and levy a special tax thereon, the Council shall then submit the annexation of the Property and levy of the special tax to the qualified electors of the Property. If at least twelve (12) persons, who need not necessarily be the same twelve (12) persons, have been registered to vote within the territory of the Property for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters residing within the Property, with each voter having one (1) vote. Otherwise, the vote shall be a mail-ballot election, consistent with Section 53327.5 of the Act, by the landowners of the Property who are owners of record at the close of the public hearing, with each landowner having one (1) vote for each acre or portion of an acre of land owned within the Property. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

Section 8. The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in annexing the Property to the District. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Council, with or without interest.

Section 9. The City Clerk is hereby directed to publish a notice (“Notice”) of the hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed District. Such Notice shall contain the text of this Resolution, state the time and place of the hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the proposed District as provided in Section 53324 of the Act and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least 7 days prior to the date of the Hearing.

Section 10. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED and APPROVED this 29th day of October, 2002.

Mayor, Daryl R. Busch

ATTEST:

City Clerk, Margaret Rey

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

I, Margaret Rey, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 3031 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 29th day of October, 2002, and that it was so adopted by the following called vote:

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

City Clerk, Margaret Rey

EXHIBIT "A"
(RESOLUTION NUMBER 3031)

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
Residential Parcel		
Single-Family Unit	\$250	per unit
Multi-Family Unit	\$50	per unit
Non-Residential Parcel	\$1,000	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”

PETITION

EXHIBIT “C”

DESCRIPTION OF PROPERTY AND BOUNDARY MAP

The property proposed to be annexed to Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris is described in the Assessor’s Records of the County of Riverside as follows:

Parcel No. 306-451-077 of Tract 30144

Parcel No. 306-144-010 of Tract 30144

Parcel No. 306-160-08 of Tract 30751

Parcel No. 306-160-09 of Tract 30751

Parcel No. 306-240-001 of Tract 24111

Parcel No. 306-240-002 of Tract 24111

Parcel No. 306-250-001 of Tract 24111

Parcel No. 306-250-002 of Tract 24111