

RESOLUTION NUMBER 3374

**A RESOLUTION OF THE LEGISLATIVE BODY OF
COMMUNITY FACILITIES DISTRICT NO. 2001-3
(NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF
PERRIS CLARIFYING AND APPROVING ITS POLICE &
FIRE PROTECTION PROGRAM AND ORDERING
COMMENCEMENT OF THE COLLECTION OF SPECIAL
TAXES**

WHEREAS, the City Council (the “Council”) of the City of Perris, California (the “City”), on December 11, 2001, 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 “Original 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, following a public hearing, the Council, on January 29, 2002, adopted its resolution of formation (the “Resolution of Formation”) forming the Original District pursuant to the Act; and

WHEREAS, on June 10, 2002, an election was held within the Original 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 the special tax formula (the “Rate and Method of Apportionment”) set forth in Exhibit “A” hereto; and

WHEREAS, the property included in the Original District is shown on the map attached as Exhibit “B” hereto; and

WHEREAS, following formation of the Original District, the Council, acting as the Legislative Body of the District, has, from time to time, annexed the property shown on in Exhibit “B” hereto to the Original District (the “Annexations” and together with the Original District, the “District”) pursuant to the Act and has held elections wherein special taxes and the Rate and Method of Apportionment were adopted within such annexed territory; and

WHEREAS, in connection with the formation of the Original District, the City Manager filed a report pursuant to the Act (“Report”) delineating the types of facilities to be financed and the property to be encompassed by said Original District; and

WHEREAS, within the District, all property is subject to the levy of special taxes in accordance with the Rate and Method of Apportionment described in Exhibit “A” hereto; and

WHEREAS, according to the Rate and Method of Apportionment, Special Taxes may not be levied until (i) the City has held 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 such 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 the District and the City has made provisions to pay

for that portion of the Police and Fire Protection Program that benefits areas outside the District from sources other than the District's special taxes; and

WHEREAS, on November 2, 2004, the City held a City-wide parcel tax election to fund a special tax for police and fire safety services throughout the City, which special tax was not approved in the City-wide election; and

WHEREAS, a Police & Fire Protection Program, pursuant to the Rate and Method of Apportionment, 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 provided to the area of the District if the District were not in existence; and

WHEREAS, Section VI of the Rate and Method of Apportionment states that “[i]nterpretations may be made by Resolution of Council for the 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”; and

WHEREAS, the Report, the Original District and the Annexations together reflect the program for provision of police and fire protection services within the northern area of the City; and

WHEREAS, the City provides for or causes to be provided fire and police protection services outside the District from the general fund or funds other than the proceeds of the District's special taxes; and

WHEREAS, from time to time, the City shall annex new developments to the District to provide for additional police and fire protection services within these new developments in accordance with the purposes of the District;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, California, acting as the legislative body of the District, as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

Section 2. The District is authorized pursuant to the Rate and Method of Apportionment to interpret any vagueness or ambiguity applicable to the District.

Section 3. The District finds and determines that said Report, the Original District and the Annexations constitute the Police & Fire Protection Program referred to in the Rate and Method of Apportionment and pursuant to Section 53313 of the Act, which program has been in effect prior to January 1, 2005.

Section 4. The District finds that all conditions precedent to the levy of the Special Tax within the District have been met and that the District shall now levy and collect the special tax within the District in accordance with the Rate and Method of Apportionment commencing in fiscal year 2005-2006.

Section 5. This resolution shall take effect and be enforceable immediately upon its adoption.

ADOPTED, SIGNED and **APPROVED** this 8th day of March, 2005.

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 3374 was duly and regularly adopted by 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, at a regular meeting thereof held the 8th day of March, 2005, 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 3374)

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.

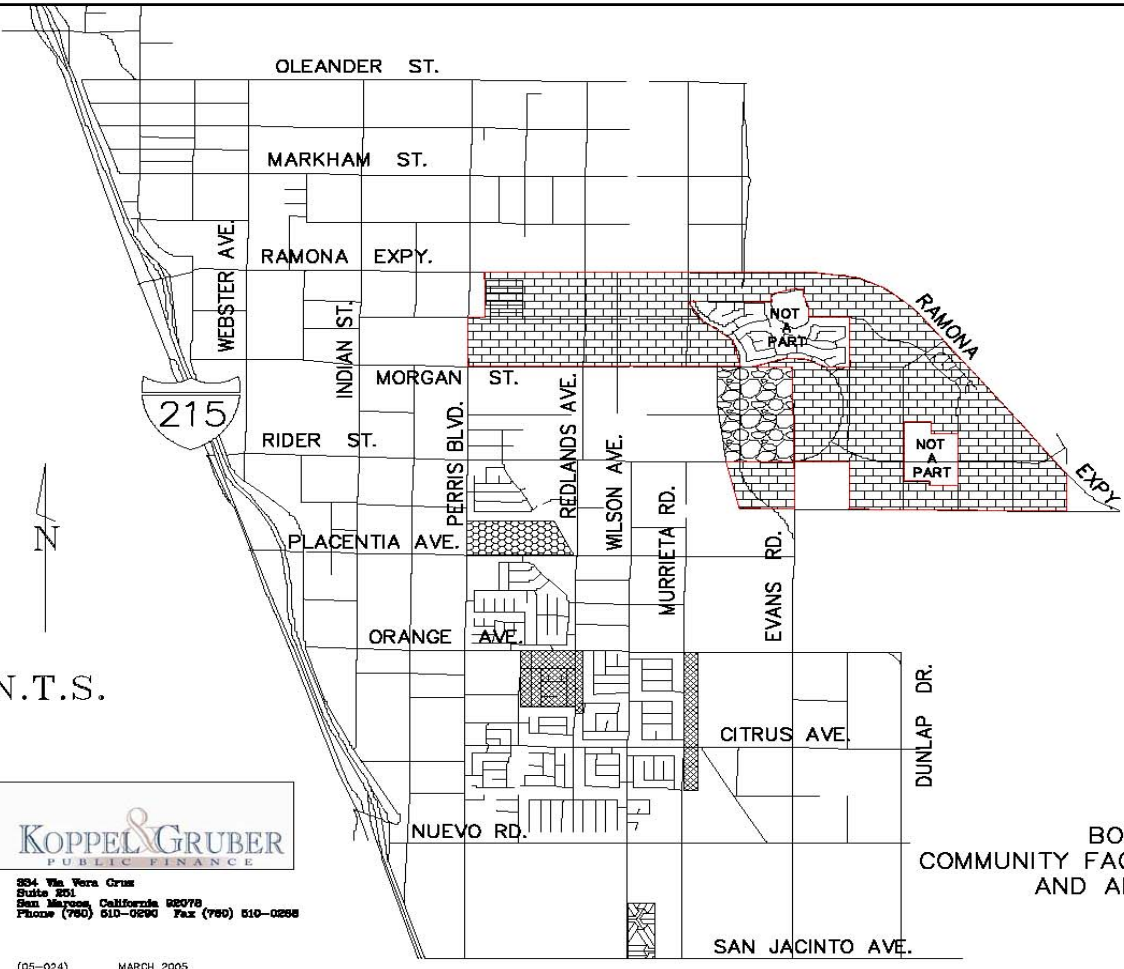
Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD No. 2001-3.

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"
(RESOLUTION NUMBER 3374)

PROPERTY INCLUDED
(See attached Map)

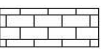






N.T.S.



304 Via Vera Cruz
 Suite 201
 San Marcos, California 92078
 Phone (760) 510-0290 Fax (760) 510-0258

LEGEND

	ORIGINAL CFD
	ANNEXATION MAP NO. 2 (CENTATION HOMES)
	ANNEXATION MAP NO. 3 (GORMAN LEIGH)
	ANNEXATION MAP NO. 1 (WILLOWBROOK)
	ANNEXATION MAP NO. 3 (TRACT 31678)

**BOUNDARY MAP OF
 COMMUNITY FACILITIES DISTRICT NO. 2001-2
 AND ANNEXATION 1, 2 & 3**

CITY OF PERRIS
 COUNTY OF RIVERSIDE
 STATE OF CALIFORNIA

