ORDINANCE NUMBER 1104

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS) OF THE CITY OF PERRIS DOES ORDAIN AS FOLLOWS:

Section 1. By the passage of this ordinance (the "Ordinance"), the City Council authorizes the levy of a special tax at the rate and formula set forth in Exhibit "A" to Resolution Number 2892, as amended, which for reference purposes is attached hereto as "Exhibit 1" and incorporated herein by this reference. Capitalized terms used herein and not defined shall have the meaning assigned to them in Exhibit 1.

Section 2. The City Council or its designee is hereby further authorized to determine, by ordinance, resolution, or by other action if permitted by then applicable law, on or before August 1 of each year, the specific special tax to be levied on each parcel of land in Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris (the "District"). The special tax to be levied shall not exceed the maximum rates set forth in Exhibit 1, but the special tax may be levied at a lower rate. The City Clerk is authorized and directed to file with the county auditor on or before the 10th day of August of each tax year a certified copy of such ordinance or resolution accompanied by a list of all parcels subject to the special tax levy with the tax to be levied on each parcel.

Section 3. Properties or entities of the state, federal of other local governments located within the District shall be exempt from the above-referenced and approved special taxes only to the extent set forth in Section VIII of the applicable section of Exhibit 1 hereto and otherwise shall be subject to the tax in a manner consistent with the provisions of Section 53317.3 of the Act in effect as of the date of adoption of this Ordinance.

Section 4. All of the collections of the special taxes shall be used only as provided for in the Act and Resolution Numbers 2912 and 2935. The special taxes shall be levied only so long as needed to accomplish the purposes described in Resolution Numbers 2912 and 2935.

Section 5. The special taxes shall be collected from time to time as necessary to meet the financial obligations of the District on the secured real property tax roll in the same manner as ordinary *ad valorem* taxes are collected, or other procedures as may be adopted by the City Council. The City Manager is hereby authorized and directed to provide or to cause to be provided all necessary information to the auditor/tax collector of the County of Riverside and to

otherwise take all actions necessary in order to effect proper billing and collection of the special taxes, so that the special taxes shall be levied and collected in sufficient amounts and at times necessary to satisfy the financial obligations of the District in each fiscal year. The special taxes may be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for *ad valorem* taxes as such procedure may be modified by law or this City Council from time to time.

Notwithstanding the foregoing, the City Manager may collect, or cause to be collected, one or more installments of the special taxes by means of direct billing by the District to the property owners within the District if, in the judgment of the City Manager, such means of collection will reduce the administrative burden of the District in administering the District or where it is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due, as set forth in any such respective billing to the property owners.

Whether the special taxes are levied in the manner provided in the first or the second preceding paragraph, the special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments.

Section 6. This Ordinance relating to the levy of the special taxes shall take effect immediately upon its final passage in accordance with the provisions of Section 36937(d) of the Government Code. The specific authorization for adoption of this Ordinance is pursuant to the provisions of Section 53340 of the Government Code.

Section 7. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Riverside a notice of special tax lien in the form required by the Act, said recording to occur no later than fifteen days following final passage by the City Council of this Ordinance.

Section 8. The Mayor shall sign this Ordinance and the City Clerk shall attest to the Mayor's signature and then cause the same to be published within fifteen (15) days after its passage at least once in the *Perris City News*, a newspaper of general circulation published and circulated in the City.

Section 9. The City Clerk shall certify to the passage of this Ordinance and shall cause the same to be published as required by law.

ADOPTED, SIGNED and ***APPROVED*** this 25th day of June, 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 Ordinance Number 1104, introduced at a regular meeting of the City Council of the City of Perris held on the 11th day of June, 2002, was duly and regularly adopted by the City Council at a regular meeting thereof held on the 25th day of June, 2002, and that it was so adopted by the following called vote:

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

_____
City Clerk, Margaret Rey

EXHIBIT "1"
(RESOLUTION NUMBER 1104)

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.