

CITY OF PLACERVILLE

Report for:

**Community Facilities District No. 2023-1
(Cottonwood Park Phase 4 & 6
Maintenance and Services)**

Special Tax Report

November 2023

Prepared by NBS for and on behalf of the City of Placerville

Prepared by:



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INTRODUCTION

The City Council (the “City Council”) of the City of Placerville (the “City”) did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the “Act”), on September 26, 2023, adopted Resolution No. 9244 entitled “A Resolution of the City Council of the City of Placerville, State of California, Declaring Its Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein” (the “Resolution of Intention”). In the Resolution of Intention, the City Council directed the study and filing of a public hearing report (the “Report”) required by Section 53321.5 of the Act for the proposed City of Placerville Community Facilities District No. 2023-1 (Cottonwood Park Phase 4 & 6 Maintenance and Services) (the “District”).

Section 53321.5 of the Act provides that the Report contain the following:

1. A brief description of the public facilities or services to be provided by the District; and
2. An estimate of the fair and reasonable cost of providing the public facilities or services, including the incidental expenses in connection therewith, any City administration costs, and all other related costs.

For particulars, reference is made to the Resolution of Intention for the District, as previously adopted on September 26, 2023, by the City Council.

NOW, THEREFORE, the Director of Finance of the City, the appointed responsible officer directed to prepare the Report or cause the Report to be prepared pursuant to the provisions of the Act, does hereby submit this Report containing the following information:

- **DISTRICT INFORMATION.** Information related to the District, including background information, land use plans, and the proposed boundaries that include those properties and parcels on which special taxes may be levied to pay for the costs and expenses of the facilities or services.
- **DESCRIPTION OF FACILITIES OR SERVICES.** A description of the facilities or services that the City Council has determined to be eligible to be funded by the District.
- **COST ESTIMATE.** The initial maximum cost estimate for the District facilities or services and the anticipated initial maximum special tax revenue.
- **RATE AND METHOD OF APPORTIONMENT.** The Rate and Method of Apportionment of Special Tax approved by this City Council on November 14, 2023.

DISTRICT INFORMATION

Background

The District is generally located north of Clay Street and south of Poverty Hill Drive. The District includes three properties covering approximately 21.45 acres.

Proposed Land Use

At build out, there is anticipated to be 39 Single-Family Residential Detached Units within the District.

District Description

The proposed boundaries of the District are those parcels in which special taxes may be levied and collected to pay for the costs and expenses of the District services. The proposed boundaries of the District are identified on the map of the District recorded on October 11, 2023, in Book 5 at Page 52 of Maps of Assessment and Community Facilities Districts as Document No. 22023-0028765 in the office of the County Recorder for the County of El Dorado. The District map is on file with the City Clerk, to which reference is hereby made and a reduced copy of such map is set forth in Appendix A of this Report.

DESCRIPTION OF SERVICES

It is intended that the District will be eligible to fund all or a portion of the direct and incidental costs of the maintenance and lighting of parks, parkways, streets, roads, and open space; flood and storm protection services; and related appurtenances, within or adjacent to the District.

The District may fund any of the following related to the maintenance of the services described in the preceding paragraph: obtaining, constructing, reconstructing, furnishing, and operating and maintaining equipment, apparatuses or facilities related to providing the services; equipment, apparatuses, facilities, or fixtures in areas to be maintained; paying the salaries and benefits of personnel necessary or convenient to provide the services; payment of insurance costs and other related expenses; and the provision of reserves for repairs, replacements, and for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof. The District may also fund administrative fees of the City related to the District.

The services to be financed by the District are in addition to those provided in the territory of the District before the date of creation of the District and will not supplant services already available within that territory when the District is created.

COST ESTIMATE

Initial Maximum Amount Proposed to be Expended

The annual budget presented below represents the initial maximum costs for providing the District services as well as the estimated costs for Fiscal Year 2024/25.

District Costs	2024/25 Maximum Budget Amount	2024/25 Estimated Budget Amount
Annual Maintenance Costs	\$40,189.61	\$40,189.61
Administrative Costs	8,375.03	8,375.03
CIP Accumulation	56,150.36	56,150.36
Totals:	\$104,715.00	\$104,715.00

Anticipated Fiscal Year 2024/25 Maximum Special Tax Revenue

The initial maximum annual special tax rates are set forth in the Rate and Method of Apportionment for the District. Based upon expected development, the initial maximum annual special tax revenue is as follows:

MAXIMUM SPECIAL TAX RATES FISCAL YEAR 2024/25

Land Use Category	Maximum Special Tax Rate	Per	Special Tax Revenue
Single-Family Residential Detached Property	\$2,685.00	Unit	\$104,715.00
Accessory Dwelling Unit	See below		
Total:			\$104,715.00

The Maximum Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Maximum Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Single-Family Residential Detached Property with 2,000 BSF has an ADU of 800 BSF, the Maximum Special Tax for the ADU shall be calculated by the following steps:

- 800 BSF / 2,000 BSF = 0.40 or 40%
- \$2,685.00 Maximum Special Tax per Unit x 40% = \$1,074.00 Maximum Special Tax for such ADU

Annual Maximum Special Tax Escalation

On July 1 of each Fiscal Year, commencing on July 1, 2025, the Maximum Special Tax rates shall be increased by amounts equal to the annual change in the San Francisco-Oakland-Hayward Consumer Price Index-All Urban Consumers of the Maximum Special Tax rates amount in effect for the previous Fiscal Year.

RATE AND METHOD OF APPORTIONMENT

All of the property located within the District, unless exempted by law or by the Rate and Method of Apportionment, shall be taxed for the purpose of providing the necessary facilities for the District. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the cost of making facilities available to each parcel, or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Appendix B, the Rate and Method of Apportionment provides information sufficient to allow each property owner to estimate the maximum special tax that he or she will be required to pay.

Term of Special Tax

The District's special tax shall be levied commencing in Fiscal Year 2024/25 to the extent necessary to satisfy the Annual Special Tax Requirement and shall be levied each Fiscal Year thereafter for as long as required to satisfy the Annual Special Tax Requirement. However, should Initiative #1935 be included as an initiative measure at election and subsequently be approved by voters, the duration of the Special Tax is 50 years.

Manner of Collection

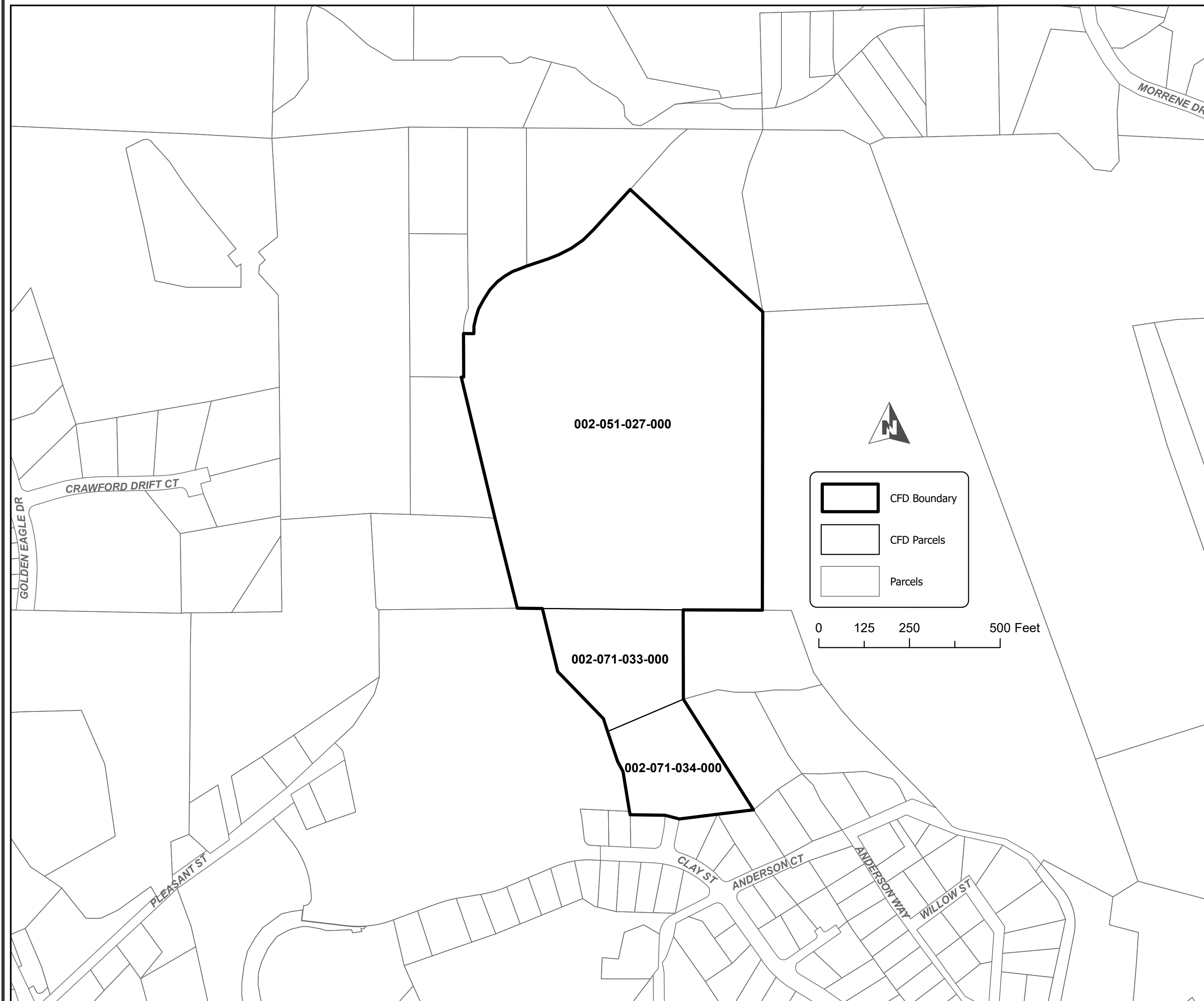
The annual special tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the District, may directly bill the special tax, and may collect special taxes at a different time or in a different manner as necessary to meet its financial obligations.

APPENDIX A: BOUNDARY MAP

The boundary map for the District is shown on the following page. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the County Assessor, at the time this Report was prepared, and are incorporated by reference herein and made part of this Report.

PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2023-1 (COTTONWOOD PARK PHASE 4 & 6 MAINTENANCE AND SERVICES)

CITY OF PLACERVILLE
COUNTY OF EL DORADO
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF PLACERVILLE THIS ____ DAY OF _____, 202_.

CITY CLERK
CITY OF PLACERVILLE

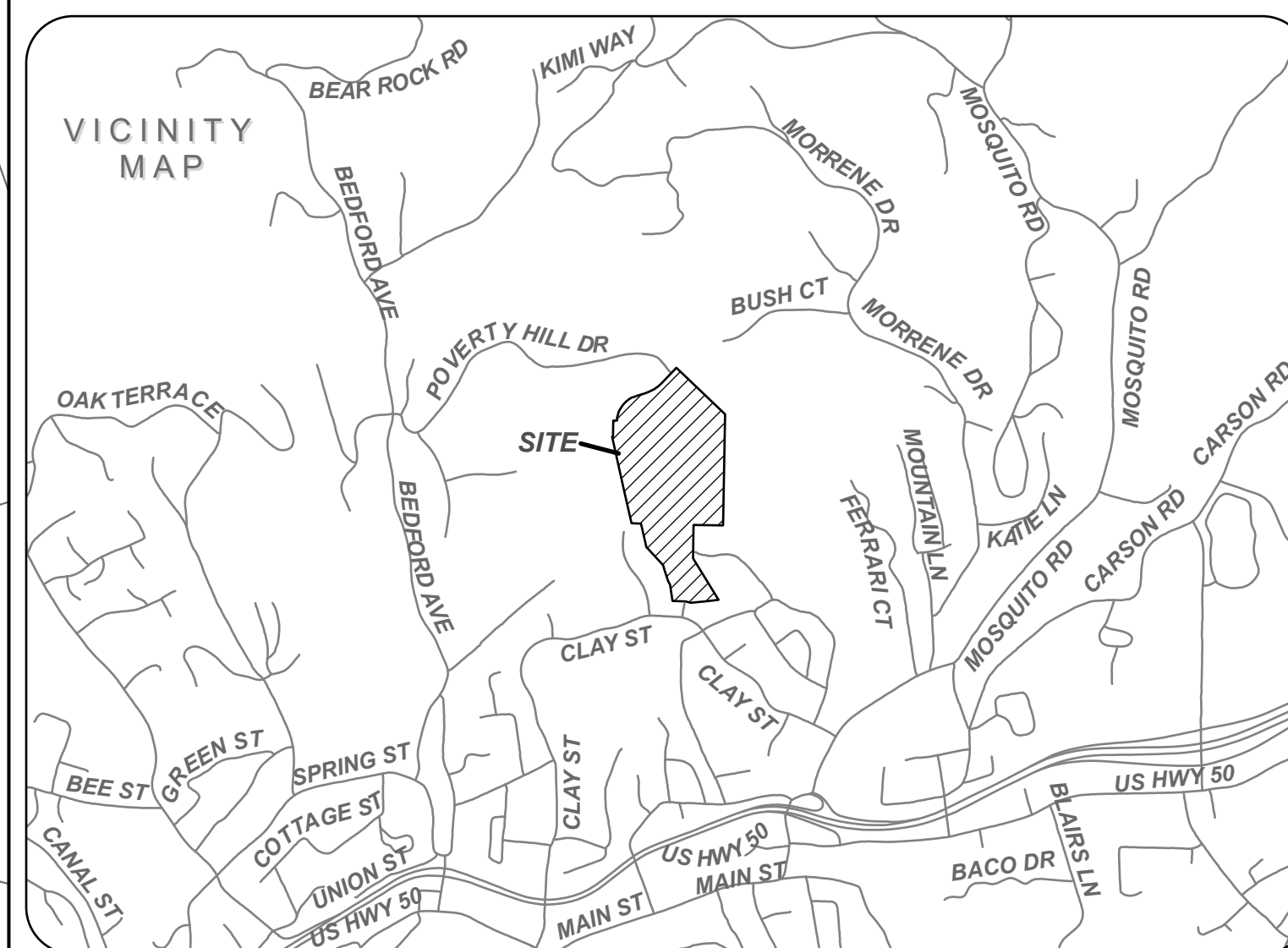
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2023-1 (COTTONWOOD PARK PHASE 4 & 6 MAINTENANCE AND SERVICES), CITY OF PLACERVILLE, COUNTY OF EL DORADO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF PLACERVILLE AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 202_, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF PLACERVILLE

FILED THIS ____ DAY OF _____, 202_, AT THE HOUR OF ____ O'CLOCK ____ M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ____, IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF EL DORADO, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF EL DORADO

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR OF THE COUNTY OF EL DORADO, STATE OF CALIFORNIA.



Source: El Dorado County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California II FIPS 0402 Feet



APPENDIX B: RATE AND METHOD OF APPORTIONMENT

The following pages provide a copy of the District's Rate and Method of Apportionment approved by the City Council on November 14, 2023.

**RATE AND METHOD OF APPORTIONMENT
FOR CITY OF PLACERVILLE
COMMUNITY FACILITIES DISTRICT NO. 2023-1
(COTTONWOOD PARK PHASE 4 & 6 MAINTENANCE AND SERVICES)**

A Special Tax, as hereinafter defined, shall be levied and collected in City of Placerville Community Facilities District No. 2023-1 (Cottonwood Park Phase 4 & 6 Maintenance and Services) (“CFD No. 2023-1”) each Fiscal Year commencing in Fiscal Year 2024/25, in an amount determined by the application of the procedures below. All Taxable Property, as hereinafter defined, 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 meaning:

“Accessory Dwelling Unit” or “ADU” means all Assessor’s Parcels of Single-Family Residential Detached Property for which a building permit(s) has been issued for an “Accessory Dwelling Unit” as defined in California Government Code Section 65852.2(j)(1), as may be amended from time to time, which is accessory to a primary Unit. The ADU may be located on the same Assessor’s Parcel as the primary Unit or on a separate Assessor’s Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor’s Parcel, the ADU located on such Assessor’s Parcel is considered a separate Unit from the primary Unit on such Assessor’s Parcel for purposes of the Special Tax. Should an Assessor’s Parcel contain only an ADU, such Assessor’s Parcel will be taxed as an ADU Unit only.

“Acre or Acreage” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map or in the Assessor’s Data for each Assessor’s Parcel. In the event the Assessor’s Parcel Map or Assessor’s Data shows no Acreage, the Acreage for any Assessor’s Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map. If the preceding maps are not available, the Acreage of an Assessor’s Parcel may be determined utilizing GIS.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State.

“Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of CFD No. 2023-1 including, but not limited to, the following: the costs of computing the Annual Special Tax Requirement and of preparing the Special Tax collection schedules; the costs of collecting the Special Tax, including any charges levied by the County Auditor’s Office, Tax Collector’s Office or Treasurer’s Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Tax; the costs of the City or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any action arising from any delinquent Special Tax in CFD No. 2023-1. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2023-1 for any other administrative purposes, including, but not limited to, attorney’s fees.

“Annual Services Costs” means the respective amounts determined by the CFD Administrator required to fund services authorized to be funded by CFD No. 2023-1 for the applicable yearly period.

“Annual Special Tax Requirement” means that amount with respect to CFD No. 2023-1 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with CFD No. 2023-1, and (4) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

“Assessor’s Data” means Assessor’s Parcel Number, Units, Acreage, or other information contained in the records of the County Assessor for each Assessor’s Parcel.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map and/or Assessor’s Data 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.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County Assessor for purposes of identification.

“Building Square Feet” or **“BSF”** means all of the square footage within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Building Square Feet shall be made by reference to the Assessor’s Data. If the Assessor’s Data does not show Building Square Feet, building permit(s) issued for such structure, or other records of the City shall be used, as determined by the CFD Administrator.

“City” means the City of Placerville, California.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 2023-1.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“CFD No. 2023-1” means the City of Placerville Community Facilities District No. 2023-1 (Cottonwood Park Phase 4 & 6 Maintenance and Services).

“County” means the County of El Dorado.

“County Assessor” means the County Assessor of the County.

“Developed Property” means, in any Fiscal Year, all Taxable Property in CFD No. 2023-1 for which a building permit for new construction was issued by the City prior to June 30 of the preceding Fiscal Year.

“Exempt Property” means all Assessors’ Parcels within the boundary of CFD No. 2023-1 which are exempt from the Special Tax pursuant to Section E.

"Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4120, that creates individual lots for which residential building permits may be issued without further subdivision of such property.

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

"GIS" means a geographic information system.

"Initiative #1935" means initiative constitutional amendment 1935 which is eligible for the November 5, 2024, general election ballot and will be certified as qualified unless withdrawn by the proponent prior to June 27, 2024.

"Maximum Special Tax" means the maximum Special Tax authorized to fund the Annual Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C.

"Mixed-Use Property" means all Assessor's Parcels of Developed Property that have more than one land use category, allowing for both a Single-Family Residential Detached Property Unit and an ADU Unit on each such Assessor's Parcel. For an Assessor's Parcel of Mixed-Use Property, the Special Tax shall be calculated and levied for each use type present on the Assessor's Parcel.

"Open Space Property" means property within the boundaries of CFD No. 2023-1 which (i) has been designated with specific boundaries and Acreage on a final subdivision map as open space, (ii) is classified by the County Assessor as open space, (iii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iv) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

"Property Owner's Association" means any property owner's association. As used in this definition, a Property Owner's Association includes any home-owner's association, condominium owner's association, master or sub-association or non-residential owner's association.

"Property Owner's Association Property" means any property within the boundaries of CFD No. 2023-1 which is (a) owned by a Property Owner's Association or (b) designated with specific boundaries and acreage on a final subdivision map as property owner association property.

"Proportionately" means for Taxable Property that the ratio of the Special Tax levy to the Maximum Annual Special Tax is equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 2023-1.

"Public Property" means any property within the boundaries of CFD No. 2023-1 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other public agency.

“Single Family Residential Detached Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) has been issued for a detached residential structure intended as a single primary Unit.

“Special Tax” means the amount levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Annual Special Tax Requirement.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2023-1 that are not exempt from the Special Tax pursuant to law or Section E below.

“Undeveloped Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2023-1 that is not classified as Developed Property, Open Space Property, Property Owner’s Association Property, or Public Property.

“Unit” means (i) for Single Family Residential Detached Property, an individual single family detached residential unit and (ii) for ADUs, each residential unit. The number of Units assigned to each Assessor’s Parcel may be determined by (i) referencing Assessor’s Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator.

“Welfare Exempt Property” means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 2023-1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act.

B. DETERMINATION OF TAXABLE PARCELS

Each Fiscal Year, the CFD Administrator shall determine the valid Assessor’s Parcel Numbers for all Taxable Property within CFD No. 2023-1. If any Assessor’s Parcel Numbers are no longer valid, the CFD Administrator shall determine the new Assessor’s Parcel Number or Numbers in effect for the then-current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Maximum Special Tax shall be assigned to the new Assessor’s Parcels Numbers pursuant to Section C. The CFD Administrator shall also determine: (i) which Parcels are Taxable Property; (iii) the number of Units or Building Square Footage each Parcel contains; (iv) the property type, i.e., Single-Family Residential Detached Property, Accessory Dwelling Unit, or Mixed-Use Property; and (v) the Annual Special Tax Requirement for the Fiscal Year.

C. MAXIMUM ANNUAL SPECIAL TAX RATES

The Maximum Special Taxes for each Assessor’s Parcel of Taxable Property shall be assigned below:

1. Maximum Special Taxes

The Maximum Special Tax for each Assessor’s Parcel of Taxable Property shall be assigned according to Table 1 below:

**TABLE 1
MAXIMUM SPECIAL TAX RATES
FISCAL YEAR 2024/25***

Land Use Category	Maximum Special Tax Rate	Per
Single-Family Residential Detached Property	\$ 2,685.00	Unit
Accessory Dwelling Unit	See below	Unit

The Maximum Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Maximum Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Single-Family Residential Detached Property Unit with 2,000 BSF has an ADU of 800 BSF, the Maximum Special Tax for the ADU shall be calculated by the following steps:

1. $800 \text{ BSF} / 2,000 \text{ BSF} = 0.40$ or 40%
2. $\$2,685.00 \text{ Maximum Special Tax per Unit} \times 40\% = \$1,074.00$ Maximum Special Tax for such ADU

*On July 1 of each Fiscal Year, commencing on July 1, 2025, the Maximum Special Tax rates shall be increased by amounts equal to the annual change in the San Francisco-Oakland-Hayward Consumer Price Index-All Urban Consumers of the Maximum Special Tax rates amount in effect for the previous Fiscal Year.

In some instances, an Assessor’s Parcel of Developed Property may be Mixed-Use Property. The Maximum Special Tax levied on an Assessor’s Parcel shall be the sum of the Maximum Special Tax for all Units of each property type on that Assessor’s Parcel.

2. Assignment of Assessor’s Parcel(s) to Property Land Use Category

When an Assessor’s Parcel changes from being classified as Undeveloped Property to another land use category and is considered Developed Property, that assignment shall not change due to future changes in land use.

3. Assignment of Maximum Special Tax to Newly Created Assessor’s Parcel(s)

After a Final Subdivision Map has been recorded, if there are changes to the overall planned development within CFD No. 2023-1, the process for assigning the Maximum Special Tax to each Assessor’s Parcel expected to be classified as Single-Family Residential Detached Property is as follows:

Step 1: Determine the then-current total expected Maximum Special Tax for CFD No. 2023-1, by referencing Table 2.

Step 2: Identify the Assessor’s Parcel(s) of Taxable Property expected to be classified as Single-Family Residential Detached Property and assign the Maximum Special Tax to each Assessor’s Parcel of Taxable Property expected to be classified as Single-Family Residential Detached Property according to the then-current Maximum Special Tax Rates for such category. Sum the Maximum Special Tax assigned to each Assessor’s Parcel of Taxable Property expected to be classified as Single-Family Residential Detached Property.

Step 3: Divide the total expected Maximum Special Tax in Step 1 by the total Maximum Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total expected Maximum Special Tax from Step 1 to each Assessor’s Parcel of Taxable Property expected to be classified as Single-Family Residential Detached Property by multiplying each Assessor’s Parcel fraction, determined in Step 3, by the then-current Maximum Special Tax Rates for Single-Family Residential Detached Property.

Step 5: The Maximum Special Tax assigned to each Assessor’s Parcel of Taxable Property expected to be classified as Single-Family Residential Detached Property shall be the greater of the Maximum Special Tax assigned in Step 2 or the Maximum Special Tax calculated in Step 4.

If there are no changes to the planned development within CFD No. 2023-1, the Maximum Special Tax shall be assigned according to Table 1.

The planned development is provided in the table below:

**TABLE 2
PLANNED DEVELOPMENT AND TOTAL EXPECTED MAXIMUM SPECIAL TAX
FISCAL YEAR 2024/25***

Land Use Category	Planned Development	Total Expected Maximum Special Tax
Single-Family Residential Detached Property	39 Units	\$ 104,715.00

*On July 1 of each Fiscal Year, commencing on July 1, 2025, the total expected Maximum Special Tax shown in Table 2 shall be increased by an amount equal to the annual change in the San Francisco-Oakland-Hayward Consumer Price Index-All Urban Consumers of the total expected Maximum Special Tax in effect for the previous Fiscal Year.

Once created, if a newly created Assessor’s Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Special Tax for the additional newly created Assessor’s Parcel(s) of Taxable Property created from the change or subdivision.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

All Taxable Property shall be subject to the Special Tax defined as follows. The Special Tax shall be levied each Fiscal Year by the CFD Administrator.

The Annual Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-1 by the method shown below.

First: Determine the Annual Special Tax Requirement.

Second: Levy the Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Special Tax.

Under no circumstances will the Special Taxes on any Assessor's Parcel of Developed Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2023-1.

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Open Space Property, Property Owner's Association Property, Undeveloped Property, Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, or Public Property, except as otherwise provided in Sections 53317.3, 53317.5 and 533401 of the Act.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property.

F. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Tax. In addition, during the term of the appeal process, all Special Tax levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit the Special Tax in future years.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATIONS OF RATE AND METHOD OF APPORTIONMENT

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be at the City’s discretion. Interpretations may be made by the City Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

H. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2023-1, and may collect delinquent Special Taxes through available methods.

A Special Tax shall be levied commencing in Fiscal Year 2024/25 to the extent necessary to satisfy the Annual Special Tax Requirement and shall be levied each Fiscal Year thereafter for as long as required to satisfy the Annual Special Tax Requirement. However, should Initiative #1935 be included as an initiative measure at election and subsequently be approved by voters, the duration of the Special Tax is 50 years.

I. PREPAYMENT OF SPECIAL TAX

The Special Tax may not be prepaid.

J. REPEAL OF SPECIAL TAX

If the levy of the Special Tax is repealed by initiative or any other action participated in by the owners of Assessor’s Parcels in CFD No. 2023-1, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the authorized services for which the Special Tax was levied. The obligations to provide the authorized services previously funded by the repealed Special Tax shall become the joint obligations of the property owners of Assessor’s Parcels within CFD No. 2023-1.