

RESOLUTION NO. 2001-033

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF JAN 16 2001

**A RESOLUTION OF THE CITY OF SACRAMENTO
DECLARING ITS INTENTION TO ANNEX TERRITORY TO THE
NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT NO. 99-02,
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA, AND TO LEVY A SPECIAL
TAX THEREIN TO FINANCE MAINTENANCE SERVICES
TO BE PROVIDED WITHIN SAID DISTRICT
(ANNEXATION NO. 2)**

WHEREAS:

A. The City Council (the "Council") of the City of Sacramento (the "City") has heretofore established the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02 ("District") pursuant to provisions of the Mello-Roos Community Facilities Act of 1982 ("Act"), and has heretofore levied a special tax therein to pay for maintenance and related services to be provided within the District, under and pursuant to the provisions of Title 81 of the Sacramento City Code and the Act.

B. The Council has determined that the establishment of the District is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Council and are now in effect.

C. The Council is fully advised in this matter.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
SACRAMENTO AS FOLLOWS:**

Section 1. The above recitals are true and correct, and the Council so finds and determines.

Section 2. It is the intention of the Council and the Council hereby proposes to annex territory to the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, ("District") under the terms of the Mello-Roos Community Facilities Act of 1982 (Section 53311 et seq. of the California Government Code, hereafter "Act"). The

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boundaries of the territory proposed for inclusion in the District are shown on the map entitled "Area Map" attached hereto as Exhibit D. Exhibit D also shows the territory included in the existing District. A map showing the proposed territory to be annexed ("Boundary Map") is on file in the office of the City Clerk, is in the form required by Section 3110 of the Streets and Highways Code, and is hereby approved. The City Clerk is directed to file a copy of the Boundary Map with the County Recorder of the County of Sacramento within fifteen (15) days hereafter for placement in the Book of Maps of Assessment and Community Facilities Districts, in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

Section 3. The name of the proposed annexation to the District is "North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, Annexation No. 2."

Section 4. The District was formed solely for maintenance services and related purposes, and will not finance capital improvements or issue bonds. The services to be financed by the District are set forth in Exhibit A, attached hereto and incorporated herein by this reference, all of which are as authorized by the Act and by Title 81 of the Sacramento City Code. The District shall also finance all costs and expenses normally incidental to the provision of the maintenance and related services, including without limitation election costs; design fees and costs; contract supervision; and City administrative and legal costs.

Section 5. Except where funds are otherwise available, a special tax sufficient to pay for said maintenance and related services, secured by recordation of a continuing lien against all nonexempt real property in the District, will be levied annually within the District. Pursuant to Title 81 of the Sacramento City Code, certain City-owned property within the District will be subjected to the lien of the special tax. The tax is to be collected as a separately-stated item on the county property tax bill, but the City Council reserves the right to change the method of collection at any time. The special tax shall be apportioned according to the use and state of development of the land, at the per annum tax rates specified in Exhibit B, attached hereto and incorporated herein by this reference, the Rate and Method of Apportionment of Special Tax. The rates shown are maximum rates. The maximum special tax rate for the proposed annexation is specified in Exhibit C, attached hereto and incorporated herein by this reference. The special tax levied on all parcels may be increased prorata, but not more than ten percent (10%), on account of the default or delinquency of the owner of any parcel. The rates may also be escalated for inflation pursuant to Title 81 of the Sacramento City Code, as specified in Exhibit B. If tax collections at the stated rates exceed the amount required to pay the Annual Costs, the rates may be reduced in accordance with the formulae set forth in Exhibit B. The special tax levied and to be collected hereunder shall be in perpetuity, unless and until the need for the maintenance and related services no longer exists.

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Section 6. It is the intention of the Council, pursuant to Section 53317.3 of the Act, to continue to levy the special tax on property (that is not otherwise exempt from the special tax) that is acquired by a public entity through a negotiated transaction, by gift or devise.

Section 7. It is the intention of the Council, pursuant to Section 53317.5 of the Act, to treat the obligation to pay the special tax levied against property that is acquired by a public entity through eminent domain proceedings as if it were a special annual assessment.

Section 8. It is the intention of the Council, pursuant to Section 53340.1 of the Act, to levy the special tax on the leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in such property.

Section 9. It is the intention of the Council, pursuant to Section 53325.7 of the Act, to establish an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District.

Section 10. Notice is given that the City Council hereby fixes 2:00 p.m. on February 20, 2001, in the chambers of the City Council, City Hall, 915 I Street, Sacramento, California 95814 as the time and place for a public hearing on the proposed annexation to the District, and the proposed levy of special taxes, and all other matters as set forth in this resolution. At such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the District and the levy of the special tax, or the extent of the District, or the maintenance and related services to be provided, or any other matters set forth herein, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, except that 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; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. 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, at the conclusion of the hearing, the City Council determines to proceed with the establishment of the District, the levy of special taxes will be submitted to the electors of the District in an election pursuant to Section 53326 of the Act, to be held not less than ninety (90) days thereafter, unless appropriate waivers pursuant to said Section have been filed with the City Clerk. The special tax may be levied if two-thirds of those voting approve the measure.

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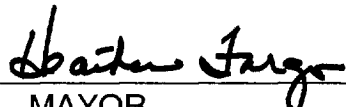
Section 11. In the opinion of the Council, the public interest will not be served by allowing the property owners in the District to enter into a contract pursuant to Section 53329.5(a) of the Act, to perform the maintenance and related services to be financed under Title 81 of the City Code and the Act.

Section 12. The City Council directs Michael Kashiwagi, Director of Public Works of the City of Sacramento, to prepare the report required by Section 53321.5 of the Government Code and to file the report with the City Council at or before the time of the hearing.


Section 13. The City Clerk is directed to publish notice of the hearing in accordance with Sections 53322 and 53322.4 of the Act, as follows:

(a) A notice of public hearing in the form required by the Act shall be published in the Daily Recorder, a newspaper of general circulation published in the area of the District, which such publication shall be made pursuant to Section 6061 of the California Government Code and shall be completed at least seven (7) days prior to the date set for such public hearing; and

(b) A notice of public hearing in the form required by the Act shall be mailed, first class postage prepaid, to each property owner and to each registered voter within the boundaries of the District, which such mailing to such property owners shall be made to such property owners at their addresses as shown on the records of the Sacramento County Treasurer-Tax Collector, and which such mailing to such registered voters shall be made to such registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters, or in either case as otherwise known to the City Clerk of the City, and which such mailing shall be completed at least fifteen (15) days prior to the date set for such public hearing. The notice of hearing must include a description of the voting procedures in accordance with Government Code Section 53322(b)(4).


MAYOR

ATTEST:


CITY CLERK

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Exhibit A

North Natomas Neighborhood Landscaping CFD No. 99-02 List of Authorized Services

The authorized services include those set forth below in addition to the costs associated with collecting and administering the special taxes, and annually administering the District. The special taxes may be levied to pay for any authorized services or to accumulate funds for that purpose. The primary function of the CFD is to fund the maintenance of neighborhood landscape areas for subdivisions. The CFD will also serve as a backup funding source for homeowners associations that fail to provide adequate landscaping or drainage maintenance, in the areas where they have been required to provide such maintenance services, as determined by the City.

The CFD's authorized services include the following:

1. The repair and maintenance of landscaping, irrigation facilities, lighting, soundwalls, monuments and signs, and other appurtenances within and along public rights-of-way.
2. Costs of scheduled inspection of maintenance of landscaped areas.
3. Maintenance services as required to implement a Lake Management Plan within a residential subdivision.
4. Utility bills associated with maintenance of landscaped areas.
5. CFD formation and annual administration costs.
6. Miscellaneous cost related to any of the items described above including planning, engineering, legal, and administration.

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Exhibit B

City of Sacramento, California
North Natomas Neighborhood Landscaping
Community Facilities District No. 99-02

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the North Natomas Community Facilities District No. 99-02 (the "CFD") of the City of Sacramento (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. 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 actual or estimated costs incurred by the City to form the CFD and to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and legal counsel; 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 the CFD as determined by the City.

"Annexation Parcel" means a Parcel, which was not included within the boundaries of the CFD at the time of formation. Parcels are required to annex to the District based upon City policy.

"Annual Costs" means for each Fiscal Year, the total of 1) Authorized Landscape Maintenance Services 2) Authorized Drainage Maintenance Services, 3) Administrative Expenses; and 3) any amounts needed to cure actual or estimated delinquencies in Special Taxes for the current or previous Fiscal Year.

"Assessor" means the Assessor of the County of Sacramento.

"Authorized Services" mean those services, as listed in the Resolution forming CFD 99-02.

"Base Drainage Maintenance Services Maximum Tax" means the maximum special tax that can be levied for drainage maintenance services for any new Tax Zone created through annexation of a residential subdivision.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 1999 and ending June 30, 2000.

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"Base Landscape Maintenance Services Maximum Tax" means the maximum special tax that can be levied for landscape maintenance services for any new Tax Zone created through annexation of a residential subdivision.

"CFD" means the North Natomas Neighborhood Landscape Services Community Facilities District No. 99-02 of the City of Sacramento, California.

"City" means City of Sacramento, California.

"Council" means the City Council of the City of Sacramento acting for the CFD under the Act.

"County" means the County of Sacramento, California.

"Developed Residential Parcel" means a residential Parcel, which has a recorded final small lot map for residential uses permitting up to 2 units per lot.

"Drainage Maintenance Services Tax" means the portion of the maximum special tax that is levied on a Taxable Parcel to fund drainage maintenance and associated costs. Residential parcels in certain subdivisions are required by the City to provide a backup funding source for the maintenance of drainage facilities in the event that the homeowners association fails to provide adequate drainage maintenance. This portion of the special tax is only levied if the City has determined that the subdivision homeowners association has failed to adequately provide the required drainage maintenance service.

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

"Landscape Maintenance Services Tax" means the portion of the Maximum Annual Special Tax that is levied on a Taxable Parcel to fund landscape maintenance and associated costs. The tax is levied on Parcels that do not have maintenance of landscaping provided by homeowners associations. However, the tax may also be used as a backup tax in the event that a homeowners association fails to adequately provide landscape maintenance and the City has to take over provision of services.

"Maximum Annual Special Tax" means the greatest amount of Special Tax that can be levied against a Parcel calculated by multiplying the Maximum Annual Special Tax Rate times the relevant units of the parcel.

"Maximum Annual Special Tax Rate" means the amount shown in Attachment 1 for a Fiscal Year that is used in calculating the Maximum Annual Special Tax for a Parcel based on its land use classification and landscape intensity.

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

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"**Parcel**" means any Assessor's parcel in the CFD based on the equalized tax rolls of the County as of March 1 of each Fiscal Year.

"**Parcel Number**" means the Assessor's Parcel Number for any Parcel based on the equalized tax rolls of the County as of March 1 of each Fiscal Year.

"**Public Parcel**" means any Parcel, in its entirety, that is or is intended to be publicly owned in the North Natomas Community Plan as adopted by the City--or as subsequently designated by the City--that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets; schools; parks; and public drainageways, public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes as described below. Any such Parcel shall be a Tax-Exempt Parcel.

"**Special Tax(es)**" mean(s) any tax levy under the Act in the CFD.

"**Subdivision**" means a division of a Parcel into a set of Successor Parcels through the Subdivision Map Act process.

"**Tax Collection Schedule**" means the document prepared by the City for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

"**Taxable Parcel**" means any Parcel that is classified as a Developed Residential Parcel or Undeveloped Parcel.

"**Tax Escalation Factor**" means an annual percentage increase in the Maximum Annual Special Tax Rate based upon the Consumer Price Index (CPI) (prior calendar year annual average, San Francisco, All Urban Consumers (CPI-U) Index), not to exceed 4%.

"**Tax-Exempt Parcel**" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels (subject to the limitations set forth in Section 4, below); and (ii) all other parcels not defined as Developed Residential Parcels or Undeveloped Parcels.

"**Tax Zone**" describes one or more subdivisions with similar landscaping maintenance features and annual maintenance costs that are grouped together as a Tax Zone. Each subdivision included in the CFD at formation is assigned a Tax Zone. As a subdivision is annexed into the CFD, it may either be annexed into an existing Tax Zone or be assigned a new Tax Zone. Tax Zones will be labeled in alphabetical sequence as new Tax Zones are created.

"**Undeveloped Land Tax**" means the maximum special tax that can be levied for landscape maintenance services for an Undeveloped Parcel.

"**Undeveloped Parcel**" means remaining land in subdivision designated for single family residential land uses permitting up to 2 units per lot in the tentative map.

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3. Duration of the Special Tax

Parcels in the CFD will remain subject to the special tax in perpetuity.

4. Assignment of Maximum Annual Special Tax

A. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions above, the Parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the City shall cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel.
2. Each Taxable Parcel to be further categorized by Tax Zone. The Tax Zone assigned to a Parcel is based on the same Tax Zone assigned to the Taxable Parcel's subdivision.
3. Each Taxable Parcel to be classified as to whether or not it is subject to the Landscape Maintenance Services Tax.
4. Each Taxable Parcel to be further classified as to whether or not it is subject to the Drainage Maintenance Services Tax.
5. Each Taxable Parcel to be further classified as to whether or not it is subject to the Undeveloped Land Tax.

B. Assignment of Maximum Annual Special Tax.

Attachment 1 shows the Base Year Maximum Special Tax rates. Each Fiscal Year following the Base Year, the Maximum Special Tax rates shall be increased in accordance with the Tax Escalation Factor.

C. Annexation Parcels. Subdivisions annexing into the CFD shall have their Maximum Special Tax Rate and Tax Zone assigned at the time of annexation.

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and/or is converted to Developed Residential Parcel, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel shall be assigned according to 4.A and 4.B above. Conversely, if a privately owned parcel is converted to a public use, it shall become Tax-Exempt.

5. Calculating Annual Special Taxes

The City shall compute the Annual Costs and determine the Maximum Annual Special Tax for each Taxable Parcel based on the assignment of the Special Tax in Section 4. The City will then determine the tax levy for each Taxable Parcel using the following process:

A. Compute the Annual Cost using the definition in Section 2 for the Fiscal Year. The City will allocate the Annual Costs for landscape maintenance and drainage maintenance for each Tax Zone. All administrative costs or other costs not related to the provision of landscape maintenance or drainage maintenance shall be allocated based on each Tax

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Zone's percentage of the total landscape maintenance costs and drainage maintenance costs.

B. For each Tax Zone, calculate the Landscape Maintenance Service Tax for each Developed Parcel necessary to fund the allocated landscape maintenance cost and administration cost by the following:

- Calculate the Maximum Annual Special Tax Revenues for the landscape maintenance portion of the Special Tax by setting the tax rate for each Developed Parcel at 100% of its Maximum Annual Special Tax shown in Attachment 1. If revenues are greater than the Annual Cost allocated to the Tax Zone for landscape maintenance and administration cost, the tax is reduced proportionately until the special tax is set at an amount sufficient to cover the allocated Annual Cost.
- If revenues from taxing Developed Parcels at 100% of the Maximum Annual Special Tax is not sufficient to fund allocated Annual Cost, levy the Undeveloped Land Tax up to 100% of its Maximum Annual Special Tax shown in Attachment 1, or until total special tax revenues equal Annual Cost.

C. For each Tax Zone, calculate the Drainage Maintenance Services Tax for each Taxable Parcel necessary to fund the allocated drainage maintenance costs by the following:

- Calculate the Maximum Annual Special Tax Revenues for the drainage maintenance portion of the Special Tax by setting the tax rate for each Taxable Parcel subject the drainage maintenance portion of the Special Tax at 100% of its Maximum Annual Special Tax shown in Attachment 1. If revenues are greater than the Annual Cost allocated to the Tax Zone for drainage maintenance, the tax rate is reduced proportionately until the tax levy is set at an amount sufficient to cover the allocated Annual Cost.

D. Sum the Landscape Maintenance Services Tax and the Drainage Maintenance Services Tax calculated above to determine the Special Tax Levy for each Taxable Parcel in each Tax Zone.

E. Prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor-Controller for such inclusion.

The City shall make every effort to correctly 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.

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6. Records Maintained for the CFD

As development and subdivision of North Natomas takes place, the City will maintain a file containing records of the following information for each Parcel:

- The current Parcel Number;
- The Parcel acreage;
- Number of residential units per parcel; and
- Tax Zone for the Parcel.

The file containing the information listed above will be available for public inspection.

7. Appeals

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City appealing the levy of the Special Tax. The City will then promptly review the appeal, and if necessary, meet with the applicant. If the City 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 the CFD.

8. 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.

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EXHIBIT C

City of Sacramento CFD No. 99-02
 Maximum Special Tax Rates for Base Year 1999-2000 [1]

Tax Zone [1]	Subdivision Special Taxes [2]	FY 1999-2000 Base Year Maximum Special Tax Rate [3], [4]	Developed Residential Parcels Special Tax Calculated Per
<u>Tax Zones at CFD Formation</u>			
A	Natomas Park		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
B	Natomas Crossing		
	Landscape Maintenance Services Tax	\$45	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
C	Gateway West		
	Landscape Maintenance Services Tax	\$60	Authorized Unit
	Drainage Maintenance Services Tax - Gateway West North	\$150	Authorized Unit
	Drainage Maintenance Services Tax - other subdivisions	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
<u>Future Annexations</u>			
A	River View		
	Landscape Maintenance Services Tax	\$35	Authorized Unit
	Drainage Maintenance Services Tax	\$0	Authorized Unit
	Undeveloped Land Tax [5]	\$190	Gross Acre
D	Annexation No. 1 Westlake [6]		
	Landscape Maintenance Services Tax	\$70	Authorized Unit
	Drainage Maintenance Services Tax	\$40	Authorized Unit
	Undeveloped Land Tax [5]	\$0	Gross Acre
	Base Landscape Maintenance Services Maximum Tax	\$100	Authorized Unit
	Base Drainage Maintenance Services Maximum Tax	\$200	Authorized Unit
	Undeveloped Land Tax [5]	\$310	Gross Acre

- "a1"
- [1] Any new Tax Zone that is created will be labeled with an alphabetical letter. The new letter will follow sequence from the existing Tax Zone letters.
 - [2] At time of District Formation, three project areas were identified with varying annual maintenance costs. Annexing subdivisions will either be added to an existing Tax Zone, or a new Tax Zone will be created. In no case may a new Tax Zone have a Maximum Annual Special Tax for Landscaping or Drainage Maintenance greater than the Base Maximum Annual Special Taxes (as may be adjusted by the Tax Escalation Factor) shown in the above table.
 - [3] If landscape maintenance or drainage services are provided by a Homeowners Association, the maximum special tax rate for those parcels will be set to \$0.
 - [4] Following the Base Year 1999-2000 for Tax Zones A, B, and C, and Base Year 2000-2001 for Tax Zone D, the Maximum Special Tax Rates will increase annually based upon the Consumer Price Index (CPI) (prior year annual average), San Francisco, All Urban Consumers (CPI-U), not to exceed 4%.
 - [5] The undeveloped land tax is a backup tax if revenues from taxing Developed Parcels at 100% of the Landscape Maintenance Services Tax is not sufficient to fund the allocated Annual Cost.

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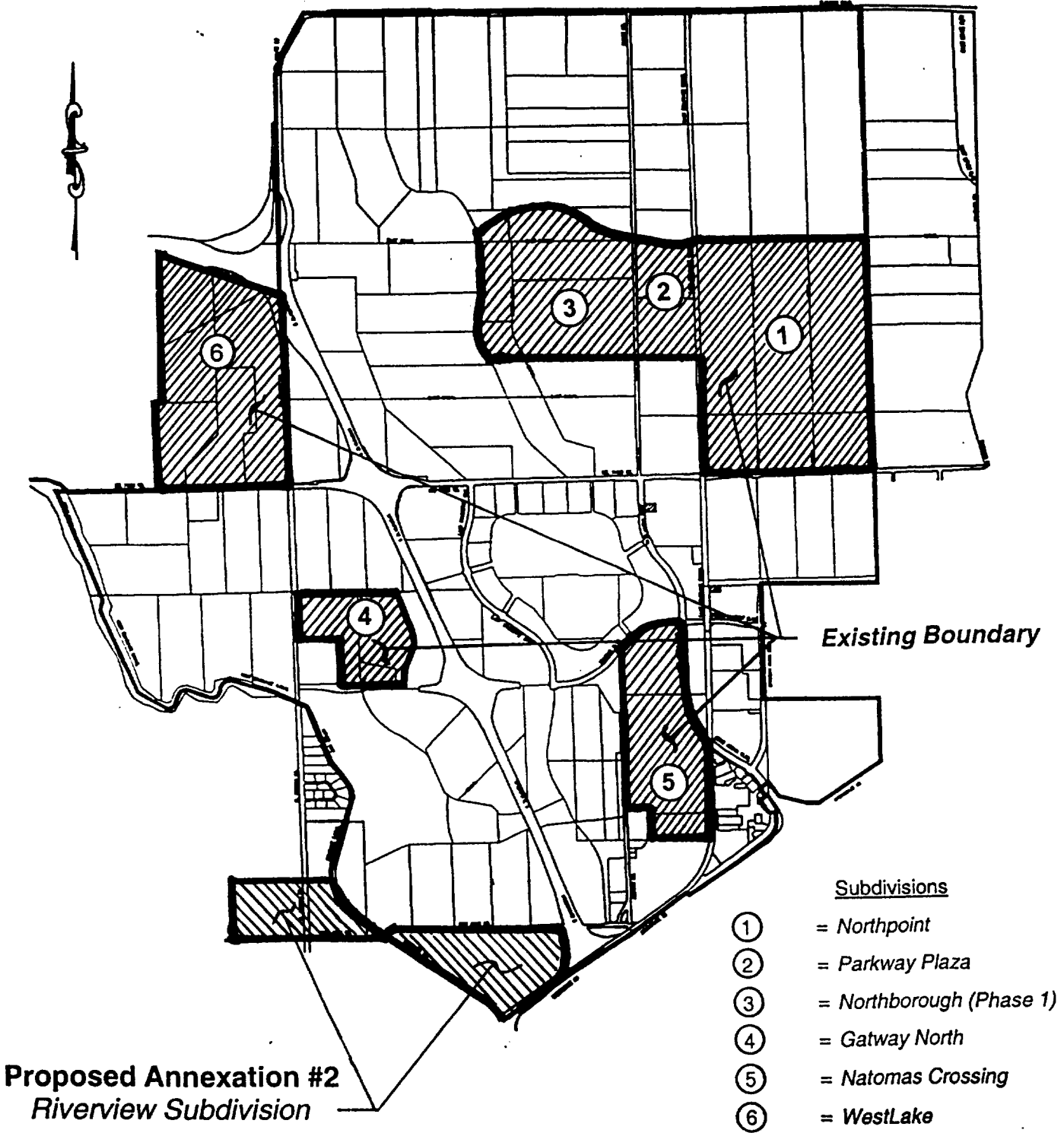
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EXHIBIT D

NORTH NATOMAS NEIGHBORHOOD LANDSCAPING
COMMUNITY FACILITIES DISTRICT #99-02

AREA OF SERVICES



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**The report referenced in Resolution 2001-033
is found in the file, “Annexation No. 2 to the
North Natomas Neighborhood Landscaping
Community Facilities District No. 1999-02”**