



# City of Rialto

Council Chambers  
150 S. Palm Ave.  
Rialto, CA 92376

## Legislation Text

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**File #:** CC-19-001, **Version:** 1, **Agenda #:** TAB1

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For City Council Meeting [January 8, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Ahmad R. Ansari, Interim City Administrator

Sean Grayson, Interim City Administrator

FROM: Jessica Brown, Finance Director

Request City Council to Conduct a Public Hearing and, Following Closing of Public Hearing: (1) Adopt **Resolution No. 7444**, Authorizing The Annexation Of Territory To Community Facilities District No. 2016-1 (Public Services) (Annexation No. 2) And Authorizing The Levy Of A Special Tax And Submitting The Levy Of Tax To The Qualified Electors; And Adopt **Resolution No. 7445**, Calling A Special Election And Submitting To The Voters Of Annexation No. 2 Of City Of Rialto Community Facilities District No. 2016-1 (Public Services) Propositions Regarding The Annual Levy Of Special Taxes Within Annexation No. 2 To Finance Public Services, And The Establishment Of An Appropriations Limit; (2) Following Adoption of Resolutions in No. 1 above, Hold Election by Opening Ballots; (3) Following Election, if more than 2/3 of landowners vote in favor, Adopt **Resolution No. 7446**, Making Certain Findings, Certifying The Results Of An Election And Adding Property To Community Facilities District No. 2016-1 (Public Services), Annexation No. 2.

**(ACTION)**

### **BACKGROUND:**

The City requires new residential developments to prepare a fiscal impact report to identify the revenues and expenses associated with the City's public service obligations to that residential development. Generally, new residential development does not generate sufficient direct and indirect revenue to support the City's public service costs at the current service level standard. Consequently, the City Council adopted a policy that requires all new development to mitigate the financial impacts upon the City by payment of mitigation fees.

The Mello-Roos Community Facilities Act of 1982 ("Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California was created to provide an alternate method of financing for needed improvements and services. The Act allows the City Council to establish a Community Facilities District (CFD) that provides for financing of public improvements and services.

On September 27, 2016, the City Council approved Resolution No. 7003, a Resolution of Intention to Establish Community Facilities District 2016-1 ("CFD 2016-1"). On November 22, 2016 by Resolution No. 7031, the City Council established CFD 2016-1, a Mello-Roos Community Facilities District with the intention that future development within the City of Rialto (the "City") would annex into this district. The City conditions new development to annex into CFD 2016-1 to fund increase in police protection services, fire protection and suppression services, ambulance and paramedic

services, park maintenance and other public services within the City.

On November 13, 2018, the City Council adopted the boundary map showing the territory proposed for annexation (identified as Annexation No. 2), and declared its intention to authorize the annexation of that territory to Community Facilities District (CFD) No. 2016-1 (Public Services).

## **ANALYSIS/DISCUSSION:**

### *The Project*

The Etiwanda Homes Project (the "Project") proposed for annexation is under construction by 642 N. Linden LLC and is located on the west side of Linden Avenue, approximately 950 feet south of Etiwanda Avenue. The site includes the development of 8 new Single-Family Residential units. The annexation consists of approximately 2.39 gross acres and is within the boundaries of assessor's parcel number 0243-151-07 as depicted on Exhibit A of Resolution of Intention.

As part of the annexation process, the City contracts with Willdan Financial Services for the preparation of the necessary resolutions and balloting procedures for the annexation.

### *Resolution of Intention*

The Resolution of Intention is the first step in the process of annexing new developments into CFD 2016-1. This will be the second annexation into the district. The Resolution set January 8, 2019 as the Public Hearing date for final consideration of the annexation of the property into CFD 2016-1. Once the annexation is complete, the property owners of the Project will pay annual special taxes for CFD 2016-1, beginning in Fiscal Year (FY) 2019/2020 as itemized on their property tax bill in accordance with the rate set forth in the Rate and Method of Apportionment (RMA) of Special Tax. Table 1 of Exhibit B of the Resolution of Intention displays the current rates for CFD 2016-1.

### *Rate and Method of Apportionment*

The Rate and Method of Apportionment (RMA) identifies how the special tax is annually apportioned to the individual units. The special tax will be apportioned by unit. The RMA sets the maximum base rate at \$288 per unit for Single-Family Residential (SFR) and \$216 per unit for Multi-Family Residential (MFR) with an escalator equal to the lesser of three percent (3.00%) or the Consumer Price Index (CPI) to accommodate future increase in costs. The current rates for Fiscal Year 2018/2019 are \$296.64 per unit for SFR and \$222.48 per unit for MFR.

The attached resolution will complete the proceedings for the annexation of the project known as Etiwanda Homes (the "Project") into Community Facilities District 2016-1 ("CFD 2016-1"). The conditions of approval for this Project require it to annex into CFD 2016-1, which was established as an annexable district to provide funding to offset the increased cost for public safety services created by new development.

## **ENVIRONMENTAL IMPACT:**

Not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

## **GENERAL PLAN CONSISTENCY:**

This action is consistent with Guiding Principle 3A in the General Plan:

*Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.*

## **LEGAL REVIEW:**

The City Attorney has reviewed and approved this staff report.

## **FINANCIAL IMPACT:**

### Operating Budget Impact

The total annual financial impact associated with the approval of this item is \$2,373.12 in special tax revenue. The CFD

special tax of \$296.64 per unit for the 8 SFR properties will be added to the property tax rolls for payment by each homeowner. The City will deposit the annual levies into the General Fund, and the City Council may then budget public service enhancements. The developer pays for the costs associated with the annexation.

Capital Improvement Budget Impact

The annexation has no impact to the capital improvement budget

Business Licensing

There is no business license required because of this action.

**RECOMMENDATION:**

Staff recommends that the City Council:

- Conduct Public Hearing for Annexation No. 2 to CFD 2016-1;
- Adopt a Resolution Authorizing the Annexation of Territory to CFD 2016-1;
- Adopt a Resolution Calling a CFD Special Election;
- Conduct CFD Special Election; Open and Count Ballots;
- Adopt a Resolution Certifying Special Election Results.

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**WHEREAS**, twelve (12) or more registered voters have not resided within the territory of Annexation No. 2 for each of the ninety (90) days preceding January 8, 2019.

1 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO HEREBY RESOLVES  
2 FOR THE CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2016-1, ANNEXATION  
3 NO. 2 AS FOLLOWS:

4       **Section 1:**     Findings. The City Council finds that: (i) the foregoing recitals are true and  
5 correct; (ii) 12 persons have not been registered to vote within the territory to be annexed to CFD No.  
6 2016-1 for each of the 90 days preceding the close of the public hearing on January 8, 2019; (iii)  
7 pursuant to Section 53326 of the California Government Code, as a result of the findings set forth in  
8 clause (ii) above, the vote in the special election called by this resolution shall be by the landowners of  
9 the territory to be annexed to CFD No. 2016-1, whose property would be subject to the special taxes if  
10 they were levied at the time of the election, and each landowner shall have one vote for each acre, or  
11 portion thereof, which he or she owns within Annexation No. 2 which would be subject to the proposed  
12 special taxes if they were levied at the time of the election; (iv) the owners of all of the land in  
13 Annexation No. 2 by written consent (a) waived the time limits set forth in Section 53326 of the  
14 California Government Code for holding the election called by this resolution and the election on the  
15 propositions (b) consented to the holding of the election on January 8, 2019, (c) waived notice and  
16 mailed notice of the time and date of the election, (d) waived an impartial analysis by the City  
17 Attorney of the ballot propositions pursuant to Section 9280 of the California Elections Code and  
18 arguments and rebuttals pursuant to Sections 9281 to 9287, inclusive, and 9295 of that Code, and  
19 mailing of a statement pursuant to Section 9401 of that Code, and (e) waived a synopsis of the  
20 measures to be included in the official ballot for said elections pursuant to Section 12111 of that Code;  
21 and (v) the City Clerk (hereafter referred to as the "City Clerk") has consented to the holding of the  
22 election on January 8, 2019.

1           **Section 2:**     Call of Election. The City Council hereby calls and schedules an election for  
2 January 8, 2019, on the proposition of the annual levy of special taxes on taxable property within  
3 Annexation No. 2 to CFD No. 2016-1 to finance public services within the CFD No. 2016-1, and on the  
4 proposition of the establishment of an appropriations limit for Annexation No. 2 to CFD No. 2016-1.

5           **Section 3:**     Propositions. The propositions to be submitted to the voters of Annexation No.  
6 2 at such special election shall be as follows:  
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8 ***Proposition A:*** Shall special taxes be levied annually on taxable property within the territory to be  
9 annexed into the City of Rialto Community Facilities District No. 2016-1 (Public Services), County of  
10 San Bernardino State of California (“Annexation No. 2”) and collected so long as the special taxes are  
11 needed to pay for maintenance and operational costs for police protection services; fire protection and  
12 suppression services; ambulance and paramedic services; maintenance and lighting of parks, parkways,  
13 streets, roads and open space; flood and storm protection services, including maintenance of storm  
14 drains; maintenance and operation of any real property or other tangible property with an estimated  
15 useful life of five years or more that is owned by the City at the special tax rates and pursuant to the  
16 method of apportioning the special taxes set forth in Exhibit “B” to the Resolution of Intention,  
17 Resolution No. 7422, adopted by the City Council of the City of Rialto on November 13, 2018?

18 ***Proposition B:*** Shall an appropriations limit, as defined by subdivision (h) of Section 8 of Article  
19 XIII B of the California Constitution, be established for Annexation No. 2 to the City of Rialto  
20 Community Facilities District No. 2016-1 (Public Services), County of San Bernardino, State of  
21 California, in the amount of \$1,000,000 per annum?

22  
23 The Rate and Method of Apportionment is attached as Exhibit A.

1       **Section 4:**       Conduct of Election. Except as otherwise provided in Section 5 hereof, the  
2 special election shall be conducted by the City Clerk in accordance with the provisions of the California  
3 Elections Code governing mail ballot elections of cities, and in particular the provisions of Division 4  
4 (commencing with Section 4000), of that Code, insofar as they may be applicable.

5       **Section 5:**       Election Procedures. The procedures to be followed in conducting the special  
6 election on (i) the proposition with respect to the levy of special taxes on taxable property within  
7 Annexation No. 2 to CFD No. 2016-1 to pay for public services, and (ii) the proposition with respect to  
8 the establishment of an appropriations limit for Annexation No. 2 to CFD No. 2016-1 in the amount of  
9 \$1,000,000 per annum shall be as follows:

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11       (a) Pursuant to Section 53326 of the California Government Code, ballots for the special election  
12 shall be distributed to the qualified electors by the City Clerk by mail or by personal service.

13       (b) Pursuant to applicable sections of the California Elections Code governing the conduct of mail  
14 ballot elections of cities, and in particular Division 4 (commencing with Section 4000) of that  
15 Code with respect to election conducted by mail, the City Clerk, or designated official, shall  
16 mail or deliver to each qualified elector an official ballot in the appropriate form, and shall also  
17 mail or deliver to all such qualified electors a ballot pamphlet, instructions to voter, and a return  
18 identification envelope addressed to the City Clerk for the return of voted official ballots.

19  
20       (c) The official ballot to be mailed or delivered by the City Clerk to each landowner-voter shall  
21 have printed or typed thereon the name of the landowner-voter and the number of votes to be  
22 voted by the landowner-voter.  
23

1 (d) The return identification envelope mailed or delivered by the City Clerk to each landowner-  
2 voter shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the  
3 address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the  
4 landowner or the authorized representative of the landowner entitled to vote the enclosed ballot  
5 and is the person whose name appears on the identification envelope, (iv) the printed name and  
6 signature of the voter, (v) the address of the voter, (vi) the date of signing and place of  
7 execution of the declaration, and (vii) a notice that the envelope contains an official ballot and is  
8 to be opened only by the City Clerk.

9 (e) The information to voter form to be delivered by the City Clerk to the landowner-voter shall  
10 inform them that the official ballot shall be returned to the City Clerk properly voted as  
11 provided thereon and with the certification appended thereto properly completed and signed in  
12 the sealed return identification envelope with the certification thereon completed and signed and  
13 all other information to be inserted thereon properly inserted by 6:00 p.m. on the 8th day of  
14 January, 2019; provided that if all qualified electors have voted, the election shall be closed  
15 with the concurrence of the City Clerk.

16 (f) Upon receipt of the return identification envelope, which are returned prior to the voting  
17 deadline on the date of the election, the City Clerk shall canvass the votes cast in the election,  
18 and shall file a statement with the City Council as to the results of such canvass and the election  
19 on each proposition set forth in the official ballot.

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21 **SECTION 6** The City Clerk shall certify to the adoption of this resolution.  
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PASSED, APPROVED AND ADOPTED this 8th day of January, 2019.

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DEBORAH ROBERTSON, Mayor

**ATTEST:**

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BARBARA. McGEE, City Clerk

**APPROVED AS TO FORM:**

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FRED GALANTE, City Attorney

1   **STATE OF CALIFORNIA**                                 )  
2   **COUNTY OF SAN BERNARDINO**                     ) ss  
3   **CITY OF RIALTO**                                     )

4   **CERTIFICATION**

5  
6               I, Barbara McGee, City Clerk of the City of Rialto, hereby CERTIFY that Resolution No.  
7   \_\_\_\_\_ was adopted by the Rialto City Council at a regular meeting of the City Council held this 8th  
8   day of January, 2019, and was approved and passed by the following vote:

9               AYES:

10              NOES:

11  
12             ABSTAIN:

13             ABSENT:

14             IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of  
15   Rialto this \_\_\_\_ day of \_\_\_\_\_, 2019.

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19   BARBARA. McGEE, City Clerk  
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## EXHIBIT A

### RATE AND METHOD OF APPORTIONMENT

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Rialto Community Facilities District 2016-1 (Public Services), ("CFD 2016-1"), other than Assessor's Parcels classified as Exempt Property as defined herein, and collected each Fiscal Year commencing in Fiscal Year 2017-2018, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD 2016-1, 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 meanings:

**"Acre or Acreage"** means the land area of an Assessor's Parcel, expressed in acres, as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the Country Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

**"Act"** means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means the following actual or reasonably estimated expenses related to the administration of CFD 2016-1: the costs of determining the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures or tax sale collection, the payment of a proportional share of salaries and benefits of any City employee and City overhead whose duties are directly related to the administration of CFD 2016-1, fees and expenses for counsel, audits, costs associated with responding to public inquiries regarding CFD 2016-1, and any and all other costs incurred in connection with the administration of CFD 2016-1.

**"Annual Escalation Factor"** means the lesser of three percent (3%) or the annual percentage increase, if any, of the U.S. Bureau of Labor Statistics – Compensation: Employment Cost Index for total compensation, for State and Local Government Workers, as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31.

**"Assessor's Parcel"** means a lot or parcel shown in an Assessor's Parcel Map 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.

**"Base Year"** means Fiscal Year beginning July 1, 2017 and ending June 30, 2018.

**"Boundary Map"** means the map of the boundaries of CFD 2016-1 recorded on October 6, 2016 in the San Bernardino County Recorder's Office in Book 87, Pages 29, of Maps of Assessments and Community Facilities Districts (instrument number 2016-0418016).

**"Building Permit"** means a permit issued for new construction of a residential dwelling or non-residential structure. For purposes of this definition, "Building Permit" shall not include permits for

1 construction or installation of retaining walls, grading, utility improvements, or other such  
improvements not intended for human habitation.

2 **“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining  
the Special Tax Requirement for Services and providing for the levy and collection of the Special  
3 Taxes for CFD 2016-1.

4 **“CFD 2016-1”** means City of Rialto Community Facilities District 2016-1 (Public Services)  
established by the City Council under the Act.

5 **“City”** means the City of Rialto.

6 **“City Council”** means the Council of the city of Rialto, acting as the legislative body of CFD 2016-1.

**“County”** means the County of San Bernardino.

7 **“Developed Property”** means an Assessor’s Parcel of Taxable Property for which a Building Permit  
was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

8 **“Exempt Property”** means all Assessor’s Parcels within CFD 2016-1 that are exempt from the Special  
9 Taxes pursuant to the Act or Section F herein.

10 **“Final Map”** means an Assessor’s Parcel Map, a Final Subdivision Map, condominium plan, lot line  
adjustment, or any other map functionally considered to be an equivalent development map that has  
been recorded in the Office of the County Recorder.

11 **“Fiscal Year”** means the period commencing on July 1 of any year and ending the following June 30.

12 **“Land Use Type”** means any of the land use types listed in Table 1 below.

13 **“Lot”** means property within a Final Map identified by a lot number for which a Building Permit has  
been issued or may be issued.

14 **“Maximum Special Tax”** means the maximum Special Tax determined in accordance with Section C,  
which may be levied in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

15 **“Multi-Family Residential Property” or “MFR Property”** means all Assessor’s Parcels of  
Developed Property for which a Building Permit has been issued for purposes of constructing a  
residential structure consisting of two or more residential units that share common walls, including, but  
16 not limited to, duplexes, triplexes, town homes, condominiums, and apartment units.

17 **“Property Owner Association Property”** means for each Fiscal Year any property within the  
boundaries of CFD 2016-1 that was owned by, or irrevocably dedicated as indicated in an instrument  
18 recorded with the County Recorder to a property owner association, including any master or sub-  
association, as of **June 1**.

19 **“Proportionately”** means in a manner such that the ratio of the actual Special Tax levy to the  
Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Class.

20 **“Public Property”** means any property that is owned by, dedicated or irrevocably dedicated to a city,  
the federal government, the State of California, the County, or any other public agency (each, a “Public  
21 Entity”); provided, however, that any such property is leased by such a Public Entity to a private entity  
and is thereby subject to taxation pursuant to Section 53340.1 of the Act, such leasehold estate shall be  
22 classified and taxed according to the use thereof.

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1 **“Residential Property”** means all Assessor’s Parcels of Developed Property within CFD 2016-1 for  
2 which a Building Permit has been issued for purposes of constructing one or more Residential Unit(s).

3 **“Residential Unit”** means any residence in which a person or persons may live, which is not  
4 considered to be used for non-residential purposes.

5 **“Services”** means those authorized services that may be funded by CFD 2016-1 pursuant to the Act, as  
6 amended including but not limited to: police protection services; fire protection and suppression  
7 services, and ambulance and paramedic services; maintenance and lighting of parks, parkways, streets,  
8 roads, and open space; and flood and storm protection services.

9 **“Single-Family Detached Residential Unit” or “SFR Property”** means all Assessor’s Parcels of  
10 Residential Property consisting of a single Dwelling Unit.

11 **“Special Tax”** means the special tax authorized to be levied within CFD 2016-1 pursuant to the Act,  
12 to fund the Special Tax Requirement.

13 **“Special Tax Requirement”** means the amount, as determined by the CFD Administrator, for any  
14 Fiscal Year to: (i) pay the costs of providing the Services during such Fiscal Year, (ii) pay  
15 Administrative Expenses associated with the Special Tax, (iii) establish or replenish any operational  
16 reserve fund established for Services, (iv) pay incidental expenses related to the Services as authorized  
17 pursuant to the Act, (v) fund an amount equal to a reasonable estimate of delinquencies expected to  
18 occur in the Fiscal Year in which the Special Tax will be levied (“Estimated Special Tax Delinquency  
19 Amount”) and (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding  
20 Fiscal Year necessary to fund the Special Tax Requirement for Services for such Fiscal Year where  
21 such shortfall resulted from delinquencies in the payment of Special Taxes in such Fiscal Year that  
22 exceeded the Estimated Special Tax Delinquency Amount included in the Special Tax Requirement for  
23 Services for such Fiscal Year.

**“Taxable Property”** means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to  
the Act or Section H.

**“Undeveloped Property”** means an Assessor’s Parcel of Taxable Property for which a Building  
Permit has not been issued on or before June 1 preceding the Fiscal Year for which Special Taxes are  
being levied.

## 17 **B. CLASSIFICATION OF ASSESSOR’S PARCELS**

18 Each Fiscal Year, beginning with Fiscal Year 2017-2018, using the definitions above, each Assessor’s  
19 Parcel within the CFD 2016-1 shall be classified by the CFD Administrator as Taxable Property or  
20 Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall  
21 be further classified by the CFD Administrator as Developed Property or Undeveloped Property.  
22 Developed Property shall be further classified as Single-Family Residential Property or Multi-Family  
23 Residential Property. Commencing with Fiscal Year 2017-2018 and for each subsequent Fiscal Year,  
all Taxable Property shall be subject to the levy of Special Taxes pursuant to Section C below.

## C. MAXIMUM ANNUAL SPECIAL TAXES

### 1. Developed Property

Each Fiscal Year commencing in Fiscal Year 2017-2018, each Assessor's Parcel of Developed Property shall be subject to the Special Tax. The Maximum Special Tax for Developed Property for Fiscal Year 2017-2018 is shown below in Table 1.

**Table 1**  
**Developed Property**  
**Maximum Special Tax Rates**

Land Use Type	Maximum Special Tax Base Year (2017/18)
<b>Residential</b>	
SFR Property	\$288 per Residential Unit
MFR Property	\$216 per Residential Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax rate shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

### 2. Undeveloped Property

Each Fiscal Year commencing in Fiscal Year 2017-2018, each Assessor's Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax.

### 3. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel or Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

## D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing in Fiscal Year 2017-2018 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD 2016-1 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property within CFD 2016-1 up to 100% of the Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding any provision of this Section D to the contrary, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property that is classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default in the payment of Special Taxes by the owner of any other Assessor's Parcel.

## **E. PREPAYMENT OF SPECIAL TAX**

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

## **F. EXEMPTIONS**

The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, including but not limited to property designated for open space, trails, pathways, parks or park and recreation related facilities, (iv) property reasonably designated by the City or CFD Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors.

## **G. APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax A that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

## **H. MANNER OF COLLECTION**

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Special Taxes may be billed and collected at a different time or in a different manner if necessary to meet the financial obligations of CFD 2016-1.

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**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIALTO,  
CALIFORNIA, MAKING CERTAIN FINDINGS, CERTIFYING THE  
RESULTS OF AN ELECTION AND ADDING PROPERTY TO  
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (PUBLIC SERVICES),  
ANNEXATION NO. 2**

**WHEREAS**, the City Council of the City of Rialto (the “City Council”), has previously formed a Community Facilities District pursuant to the provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, said Article 3.5 thereof. The existing Community Facilities District being designated as Community Facilities District No. 2016-1 (Public Services) (hereafter referred to as CFD No. 2016-1); and,

**WHEREAS**, the City Council initiated proceedings to annex certain territory to Community Facilities District No. 2016-1 (Public Services), Annexation No. 2 (hereafter referred to as “Annexation No. 2”); and

**WHEREAS**, at this time the unanimous consent to the annexation of Annexation No. 2 has been received from the property owner or owners of such territory; and

**WHEREAS**, twelve (12) or more registered voters have not resided within the territory of Annexation No. 2 for each of the ninety (90) days preceding January 8, 2019, therefore, pursuant to the Act the qualified electors of Annexation No. 2 shall be the “landowners” of Annexation No. 2 as such term is defined in Government Code Section 53317(f) and each such landowner who is the owner of record, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that she or he owns within; and



1       **WHEREAS**, the time limit specified by the Act for conducting an election to submit the  
2 levy of the special taxes on the property within Annexation No. 2 to the qualified electors of  
3 Annexation No. 2 and the requirements for impartial analysis and ballot arguments have been  
4 waived with the unanimous consent of the qualified electors of Annexation No. 2; and

5       **WHEREAS**, the City Clerk of the City of Rialto has caused ballots to be distributed to the  
6 qualified electors of Annexation No. 2, has received and canvassed such ballots and made a  
7 report to the City Council regarding the results of such canvas, a copy of which is attached as  
8 Exhibit A hereto and incorporated herein by this reference; and

9  
10       **WHEREAS**, at this time the measure voted upon and such measure did receive the  
11 favorable 2/3's vote of the qualified electors, and the City Council desires to declare the results  
12 of the election; and

13       **WHEREAS**, a map showing the territory to be annexed and designated as Annexation  
14 No. 2 (hereafter referred to as the "Annexation Map"), a copy of which is attached as Exhibit B  
15 hereto and incorporated herein by this reference, and a list of Properties to be annexed and  
16 landowners, a copy of which is attached as Exhibit C hereto and incorporated herein by this  
17 reference, has been submitted to the City Council.

18  
19 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO HEREBY  
20 RESOLVES FOR THE CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2016-  
1, ANNEXATION NO. 2 AS FOLLOWS:

21       **Section 1:**     Recitals. The above recitals are all true and correct.

22       **Section 2:**     Findings. This City Council does hereby determine as follows:  
23  
24

1 (a) The unanimous consent to the annexation of Annexation No. 2 to CFD No. 2016-1  
2 has been given by all of the owners within Annexation No. 2 and such consent shall  
3 be kept on file in the Office of the City Clerk.

4 (b) Twelve (12) or more registered voters have not resided within the territory of  
5 Annexation No. 2 for each of the ninety (90) days preceding January 8, 2019,  
6 therefore, pursuant to the Act the qualified electors of Annexation No. 2 shall be the  
7 “landowners” of such Annexation No. 2 as such term is defined in Government Code  
8 Section 53317(f).

9  
10 (c) The qualified electors of Annexation No. 2 have unanimously voted in favor of the  
11 levy of special taxes within Annexation No. 2 upon its annexation to CFD No. 2016-  
12 1.

13 **Section 3:** Annexed Area. The boundaries and parcels of territory within Annexation  
14 No. 2 and on which special taxes will be levied in order to pay for the costs and expenses of  
15 authorized public services are shown on the Annexation Map as submitted to and hereby  
16 approved by this City Council.

17  
18 **Section 4:** Declaration of Annexation. The City Council does hereby determine and  
19 declare that Annexation No. 2 is now added to and becomes a part of CFD No. 2016-1. The City  
20 Council, acting as the legislative body of CFD No. 2016-1, is hereby empowered to levy the  
21 authorized special tax within Annexation No. 2.

22 **Section 5:** Notice. Immediately upon adoption of this Resolution, notice shall be  
23 given as follows:  
24

1 An Amendment to the Notice of Special Tax Lien (Notice of Annexation) shall be  
2 recorded in the Office of the County Recorder no later than fifteen (15) days after the  
3 date of adoption of this Resolution.

4 **Section 6:** The City Clerk shall certify to the adoption of this resolution.

5 PASSED, APPROVED AND ADOPTED this 8th day of January, 2019.

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8 \_\_\_\_\_  
DEBORAH ROBERTSON, Mayor

9 **ATTEST:**

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11 \_\_\_\_\_  
BARBARA. McGEE, City Clerk

12  
13 **APPROVED AS TO FORM:**

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15 \_\_\_\_\_  
16 FRED GALANTE, City Attorney  
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1   **STATE OF CALIFORNIA**                                 )  
2   **COUNTY OF SAN BERNARDINO**                         ) SS  
3   **CITY OF RIALTO**   )

4   **CERTIFICATION**

5  
6                 I, Barbara. McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing  
7   Resolution No.\_\_\_\_\_ was duly passed and adopted at a regular meeting of the City Council of  
8   the City of Rialto held on the 8<sup>th</sup> day of January, 2019.

9                 Upon motion of Councilmember \_\_\_\_\_, seconded by Councilmember  
10                 \_\_\_\_\_, the foregoing Resolution No. \_\_\_\_\_ was duly passed and adopted.

11                 Vote on the motion:

12                 AYES:

13                 NOES:

14                 ABSTAIN:

15                 ABSENT:

16                 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City  
17   of Rialto this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

18                 \_\_\_\_\_  
19   BARBARA. McGEE, City Clerk  
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**EXHIBIT A**  
**CERTIFICATE OF ELECTION OFFICIAL AND STATEMENT OF VOTES CAST**

**CERTIFICATE OF ELECTION OFFICIAL AND STATEMENT OF VOTES CAST**

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO ) ss.  
CITY OF RIALTO )

The undersigned, ELECTION OFFICIAL OF THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DOES HEREBY CERTIFY that pursuant to the provisions commencing with Section 53326 of the Government Code of the State of California, I did canvass the returns of the votes cast at the

CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2016-1  
(PUBLIC SERVICES)  
ANNEXATION NO. 2  
SPECIAL ELECTION

in the City, held on January 8, 2019.

I FURTHER CERTIFY that this Statement of Votes Cast shows the whole number of votes cast in the area proposed to be annexed, Annexation No. 2 to Community Facilities District No. 2016-1 (Public Services) of the City of Rialto for or against the Measure are full, true and correct.

VOTES CAST ON PROPOSITION A: YES \_\_\_\_\_  
NO \_\_\_\_\_

VOTES CAST ON PROPOSITION B: YES \_\_\_\_\_  
NO \_\_\_\_\_

WITNESS my hand this 8th day of January, 2019.

\_\_\_\_\_  
BARBARA McGEE, City Clerk

# EXHIBIT B

## ANNEXATION MAP

SHEET 1 OF 1

**ANNEXATION MAP NO. 2 OF  
COMMUNITY FACILITIES DISTRICT NO. 2016-1  
(PUBLIC SERVICES)**  
 CITY OF RIALTO  
 COUNTY OF SAN BERNARDINO  
 STATE OF CALIFORNIA

**VICINITY MAP**

**SITE**

FILED IN THE OFFICE OF THE CITY CLERK OF  
CITY OF RIALTO THIS \_\_\_\_ DAY OF  
\_\_\_\_, 20\_\_.

CITY CLERK  
CITY OF RIALTO

I HEREBY CERTIFY THAT THE WITHIN MAP  
SHOWING THE PROPOSED BOUNDARIES OF  
ANNEXATION MAP NO. 2 OF COMMUNITY  
FACILITIES DISTRICT NO. 2016-1 (PUBLIC  
SERVICES) OF THE CITY OF RIALTO, COUNTY OF  
SAN BERNARDINO, STATE OF CALIFORNIA, WAS  
APPROVED BY THE CITY COUNCIL OF CITY OF  
RIALTO AT A REGULAR MEETING THEREOF, HELD  
ON THIS \_\_\_\_ DAY OF \_\_\_\_, 20\_\_, BY  
ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK  
CITY OF RIALTO

REFERENCE IS MADE TO THAT BOUNDARY MAP  
OF THE COMMUNITY FACILITIES DISTRICT NO.  
2016-1 (PUBLIC SERVICES) OF THE CITY OF  
RIALTO RECORDED WITH THE SAN BERNARDINO  
COUNTY RECORDERS' OFFICE ON OCTOBER 6,  
2016 IN BOOK 87, PAGE 29 OF MAPS OF  
ASSESSMENT AND COMMUNITY FACILITIES  
DISTRICTS, AS INSTRUMENT NO. 2016-0416016.

THE LINES AND DIMENSIONS OF EACH LOT OR  
PARCEL SHOWN ON THIS DIAGRAM SHALL BE  
THOSE LINES AND DIMENSIONS AS SHOWN ON  
THE SAN BERNARDINO COUNTY ASSESSOR'S  
MAPS FOR THOSE PARCELS LISTED.

THE SAN BERNARDINO COUNTY ASSESSOR'S  
MAPS SHALL GOVERN FOR ALL DETAILS.

**SAN BERNARDINO COUNTY RECORDERS'  
CERTIFICATE**

THIS MAP HAS BEEN FILED UNDER DOCUMENT  
NUMBER \_\_\_\_\_ THIS \_\_\_\_ DAY OF  
\_\_\_\_, 20\_\_, AT \_\_\_\_ M. IN BOOK  
\_\_\_\_ OF \_\_\_\_ AT THE REQUEST OF \_\_\_\_ AT  
\$ \_\_\_\_\_ IN THE AMOUNT OF  
\$ \_\_\_\_\_.

BOB DUTTON  
ASSESSOR-RECORDER-CLERK  
COUNTY OF SAN BERNARDINO

BY: \_\_\_\_\_  
DEPUTY RECORDER

**LEGEND**

ANNEXATION BOUNDARY

MAP REFERENCE NUMBER

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	0243-151-07

**EXHIBIT C**

**LIST OF PROPERTIES TO BE ANNEXED**

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**LIST OF PROPERTIES TO BE ANNEXED**

**ANNEXATION #2**

**ASSESSOR PARCEL NO(S)**

**0243-151-07-0000**

**Vesting Tract No.**

n/a

**Address**

**642 Linden Ave  
Rialto CA 92376**

**Landowner**

**SA Golden Investments  
c/o 642 N Linden LLC  
918 S Teakwood Ave  
Bloomington, CA 92316**

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**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF RIALTO, CALIFORNIA, AUTHORIZING THE  
ANNEXATION OF TERRITORY TO COMMUNITY  
FACILITIES DISTRICT NO. 2016-1 (PUBLIC SERVICES)  
(ANNEXATION NO. 2) AND AUTHORIZING THE LEVY  
OF A SPECIAL TAX AND SUBMITTING THE LEVY OF  
TAX TO THE QUALIFIED ELECTORS**

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1 the area of land in the territory within CFD 2016-1 and not exempt from special tax, or (iv),  
2 owners of one-half or more of the area of land in the territory proposed to be annexed to CFD  
3 No. 2016-1 and not exempt from the special tax; and

4 **WHEREAS**, a boundary map for Annexation No. 2 to CFD No. 2016-1 has been filed  
5 with the County Recorder of the County of San Bernardino, which map shows the territory to  
6 be annexed in these proceedings, and a copy thereof is on file with the City Clerk.

7 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO HEREBY  
8 RESOLVES FOR THE CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO.  
9 2016-1, ANNEXATION NO. 2 AS FOLLOWS:

10 **Section 1:** Recitals Correct. The foregoing recitals are true and correct.

11 **Section 2:** Authorization. All prior proceedings taken by this Council with respect to  
12 CFD No. 2016-1 and the proposed annexation of territory thereto have been duly considered  
13 and are hereby determined to be valid and in conformity with the Act.

14 **Section 3:** Boundaries. The description and map of the boundaries of the territory to  
15 be annexed to CFD No. 2016-1, on file with the City Clerk, are hereby finally approved, are  
16 incorporated herein by reference, and shall be included within the boundaries of CFD No. 2016-  
17 1, and said territory is hereby annexed to CFD No. 2016-1, subject to voter approval of the levy  
18 of the special taxes therein as hereinafter provided.

19 **Section 4:** Services. The services CFD No. 2016-1 is authorized to finance are in  
20 addition to those provided in or required for the territory within CFD No. 2016-1 and the  
21 territory to be annexed to CFD 2016-1 and will not be replacing services already available. A  
22 general description of the services to be financed is as follows:

23 **PUBLIC SERVICES**

24 Police protection services, fire protection and suppression services, ambulance and  
25 paramedic services; maintenance and lighting of parks, parkways, streets, roads, and open  
26 space; flood and storm protection services including but not limited to (i) the costs of  
27 contracting or directly providing services, (ii) equipment and materials, vehicles, ambulances  
28 and paramedics, fire apparatus and supplies, (iii) the salaries and benefits of City staff that  
directly provide police services and fire protection and suppression services, and other

1 services defined herein, respectively, and (iv) City overhead costs associated with providing  
2 such services within CFD No. 2016-1.

3 **Section 5:** **Special Taxes.** It is the intention of this City Council that, except where  
4 funds are otherwise available, a special tax sufficient to pay for said services to be provided in  
5 CFD No. 2016-1 and the territory proposed to be annexed as part of Annexation No. 2, secured  
6 by recordation of a continuing lien against all non-exempt real property in Annexation No. 2,  
7 will be levied annually within the boundaries of Annexation No. 2 from and after the annexation  
8 of such property to CFD No. 2016-1. The special taxes shall be those as originally authorized  
9 through the formation of CFD No. 2016-1 and adopted by Ordinance of this legislative body, and  
10 no changes or modifications are proposed in the special taxes from those as originally set forth  
11 and made applicable to CFD No. 2016-1.

12 For particulars as to the rate and method of apportionment of the proposed special tax  
13 (the "RMA"), reference is made to the attached and incorporated Exhibit "A," which sets forth  
14 in sufficient detail the method of apportionment to allow each landowner or resident within  
15 Annexation No. 2 to clearly estimate the maximum annual amount that said person will have to  
16 pay on said special tax.

17 **Section 6:** **Election.** The provisions of the Resolution of Intention of the City, each  
18 as heretofore adopted by this Council, are by this reference incorporated herein as if fully set  
19 forth herein.

- 20 (a) Pursuant to the provisions of the Act, the proposition of the levy of the special tax  
21 within Annexation No. 2 shall be submitted to the voters within Annexation No. 2 at  
22 an election called therefore as hereinafter provided. This Council hereby finds that  
23 twelve (12) or more persons have not been registered to vote within Annexation No.  
24 2 for each of the 90 days preceding the close of the hearing heretofore conducted  
25 and concluded by this Council for the purposes of these annexation proceedings.  
26 Accordingly, and pursuant to Section 53326 of the Act, this Council finds that for  
27 purposes of these proceedings the qualified electors are the landowners within  
28

Annexation No. 2 and that the vote shall be by said landowners, each having one vote for each acre or portion thereof such landowner owns in Annexation No. 2.

(b) Pursuant to Section 53326 of the Act, the election shall be conducted by mail ballot under applicable sections of the California Elections Code, commencing with Section 4000 of said code with respect to elections conducted by mail. The Council called a special election to consider the measures described and incorporated in the ballot, attached as Exhibit “B,” which election was held on January 8, 2019, (hereafter referred to as “Election Day”). The City Clerk was the election official to conduct the election and provided each landowner in the territory to be annexed to CFD No. 2016-1, a ballot in the form of Exhibit “B”, which form is hereby approved. The City Clerk has accepted the ballots of the qualified electors received prior to 6:00 p.m. on Election Day, whether received by mail or by personal delivery.

(c) This Council hereby further finds that the provision of Section 53326 of the Act requiring a minimum of 90 days to elapse before said election is for the protection of voters, has been waived by the voters and the date for the election hereinabove specified is established accordingly.

**Section 7:** The City Clerk shall certify to the adoption of this resolution.

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**WHEREFORE**, this Resolution is passed, approved and adopted this 8<sup>th</sup> day of January, 2019.

\_\_\_\_\_  
DEBORAH ROBERTSON, Mayor

**ATTEST:**

\_\_\_\_\_  
BARBARA. McGEE, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA** )  
2 **COUNTY OF SAN BERNARDINO** ) ss  
3 **CITY OF RIALTO** )

4 **CERTIFICATION**

5 I, Barbara. McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing  
6 Resolution No. \_\_\_\_\_ was duly passed and adopted at a regular meeting of the City Council of  
7 the City of Rialto held on the 8<sup>th</sup> day of January, 2019.

8 Upon motion of Councilmember \_\_\_\_\_, seconded by Councilmember  
9 \_\_\_\_\_, the foregoing Resolution No. \_\_\_\_\_ was duly passed and adopted.

10 Vote on the motion:

11 AYES:

12 NOES:

13 ABSTAIN:

14 ABSENT:

15 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City  
16 of Rialto this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

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19 \_\_\_\_\_  
20 BARBARA. McGEE, City Clerk  
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1 **EXHIBIT A**

2 **RATE AND METHOD OF APPORTIONMENT**

3  
4 A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of  
5 Rialto Community Facilities District 2016-1 (Public Services), ("CFD 2016-1"), other than  
6 Assessor's Parcels classified as Exempt Property as defined herein, and collected each Fiscal  
7 Year commencing in Fiscal Year 2017-2018, in an amount determined by the CFD  
8 Administrator through the application of the procedures described below. All of the real  
9 property within CFD 2016-1, unless exempted by law or by the provisions hereof, shall be taxed  
10 for the purposes, to the extent, and in the manner herein provided.

11 **A. DEFINITIONS**

12 The terms hereinafter set forth have the following meanings:

13 **"Acre or Acreage"** means the land area of an Assessor's Parcel, expressed in acres, as shown on  
14 an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land  
15 area shown on the applicable Final Subdivision Map, other final map, other parcel map, other  
16 condominium plan, or functionally equivalent map or instrument recorded in the Office of the  
17 Country Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied  
18 by 43,560.

19 **"Act"** means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter  
20 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

21 **"Administrative Expenses"** means the following actual or reasonably estimated expenses  
22 related to the administration of CFD 2016-1: the costs of determining the amount of the levy of  
23 Special Taxes, the collection of Special Taxes, including the expenses of collecting  
24 delinquencies and pursuing foreclosures or tax sale collection, the payment of a proportional  
25 share of salaries and benefits of any City employee and City overhead whose duties are directly  
26 related to the administration of CFD 2016-1, fees and expenses for counsel, audits, costs  
27 associated with responding to public inquiries regarding CFD 2016-1, and any and all other costs  
28 incurred in connection with the administration of CFD 2016-1.

**"Annual Escalation Factor"** means the lesser of three percent (3%) or the annual percentage  
increase, if any, of the U.S. Bureau of Labor Statistics – Compensation: Employment Cost Index  
for total compensation, for State and Local Government Workers, as determined by the Bureau  
of Labor Statistics for the twelve (12) months ending the preceding December 31.

**"Assessor's Parcel"** means a lot or parcel shown in an Assessor's Parcel Map 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.

**"Base Year"** means Fiscal Year beginning July 1, 2017 and ending June 30, 2018.

**"Boundary Map"** means the map of the boundaries of CFD 2016-1 recorded on October 6,  
2016 in the San Bernardino County Recorder's Office in Book 87, Pages 29, of Maps of  
Assessments and Community Facilities Districts (instrument number 2016-0418016).



1 **“Building Permit”** means a permit issued for new construction of a residential dwelling or non-  
2 residential structure. For purposes of this definition, “Building Permit” shall not include permits  
3 for construction or installation of retaining walls, grading, utility improvements, or other such  
improvements not intended for human habitation.

4 **“CFD Administrator”** means an official of the City, or designee thereof, responsible for  
5 determining the Special Tax Requirement for Services and providing for the levy and collection  
of the Special Taxes for CFD 2016-1.

6 **“CFD 2016-1”** means City of Rialto Community Facilities District 2016-1 (Public Services)  
established by the City Council under the Act.

7 **“City”** means the City of Rialto.

8 **“City Council”** means the Council of the city of Rialto, acting as the legislative body of CFD  
2016-1.

9 **“County”** means the County of San Bernardino.

10 **“Developed Property”** means an Assessor’s Parcel of Taxable Property for which a Building  
11 Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are  
being levied.

12 **“Exempt Property”** means all Assessor’s Parcels within CFD 2016-1 that are exempt from the  
13 Special Taxes pursuant to the Act or Section F herein.

14 **“Final Map”** means an Assessor’s Parcel Map, a Final Subdivision Map, condominium plan, lot  
15 line adjustment, or any other map functionally considered to be an equivalent development map  
that has been recorded in the Office of the County Recorder.

16 **“Fiscal Year”** means the period commencing on July 1 of any year and ending the following  
June 30.

17 **“Land Use Type”** means any of the land use types listed in Table 1 below.

18 **“Lot”** means property within a Final Map identified by a lot number for which a Building Permit  
19 has been issued or may be issued.

20 **“Maximum Special Tax”** means the maximum Special Tax determined in accordance with  
Section C, which may be levied in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

21 **“Multi-Family Residential Property” or “MFR Property”** means all Assessor’s Parcels of  
22 Developed Property for which a Building Permit has been issued for purposes of constructing a  
23 residential structure consisting of two or more residential units that share common walls,  
including, but not limited to, duplexes, triplexes, town homes, condominiums, and apartment  
24 units.

25 **“Property Owner Association Property”** means for each Fiscal Year any property within the  
26 boundaries of CFD 2016-1 that was owned by, or irrevocably dedicated as indicated in an  
instrument recorded with the County Recorder to a property owner association, including any  
master or sub-association, as of **June 1**.

27 **“Proportionately”** means in a manner such that the ratio of the actual Special Tax levy to the  
28 Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Class.

1 **“Public Property”** means any property that is owned by, dedicated or irrevocably dedicated to a  
2 city, the federal government, the State of California, the County, or any other public agency  
3 (each, a “Public Entity”); provided, however, that any such property is leased by such a Public  
4 Entity to a private entity and is thereby subject to taxation pursuant to Section 53340.1 of the  
5 Act, such leasehold estate shall be classified and taxed according to the use thereof.

6 **“Residential Property”** means all Assessor’s Parcels of Developed Property within CFD 2016-  
7 1 for which a Building Permit has been issued for purposes of constructing one or more  
8 Residential Unit(s).

9 **“Residential Unit”** means any residence in which a person or persons may live, which is not  
10 considered to be used for non-residential purposes.

11 **“Services”** means those authorized services that may be funded by CFD 2016-1 pursuant to the  
12 Act, as amended including but not limited to: police protection services; fire protection and  
13 suppression services, and ambulance and paramedic services; maintenance and lighting of parks,  
14 parkways, streets, roads, and open space; and flood and storm protection services.

15 **“Single-Family Detached Residential Unit” or “SFR Property”** means all Assessor’s Parcels  
16 of Residential Property consisting of a single Dwelling Unit.

17 **“Special Tax”** means the special tax authorized to be levied within CFD 2016-1 pursuant to the  
18 Act, to fund the Special Tax Requirement.

19 **“Special Tax Requirement”** means the amount, as determined by the CFD Administrator, for  
20 any Fiscal Year to: (i) pay the costs of providing the Services during such Fiscal Year, (ii) pay  
21 Administrative Expenses associated with the Special Tax, (iii) establish or replenish any  
22 operational reserve fund established for Services, (iv) pay incidental expenses related to the  
23 Services as authorized pursuant to the Act, (v) fund an amount equal to a reasonable estimate of  
24 delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied  
25 (“Estimated Special Tax Delinquency Amount”) and (vi) fund the shortfall, if any, in the Special  
26 Tax revenues collected in the preceding Fiscal Year necessary to fund the Special Tax  
27 Requirement for Services for such Fiscal Year where such shortfall resulted from delinquencies  
28 in the payment of Special Taxes in such Fiscal Year that exceeded the Estimated Special Tax  
Delinquency Amount included in the Special Tax Requirement for Services for such Fiscal Year.

**“Taxable Property”** means all Assessor’s Parcels that are not exempt from the Special Tax  
pursuant to the Act or Section H.

**“Undeveloped Property”** means an Assessor’s Parcel of Taxable Property for which a Building  
Permit has not been issued on or before June 1 preceding the Fiscal Year for which Special  
Taxes are being levied.

## **B. CLASSIFICATION OF ASSESSOR’S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2017-2018, using the definitions above, each  
Assessor’s Parcel within the CFD 2016-1 shall be classified by the CFD Administrator as  
Taxable Property or Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel  
of Taxable Property shall be further classified by the CFD Administrator as Developed Property  
or Undeveloped Property. Developed Property shall be further classified as Single-Family  
Residential Property or Multi-Family Residential Property. Commencing with Fiscal Year 2017-

2018 and for each subsequent Fiscal Year, all Taxable Property shall be subject to the levy of Special Taxes pursuant to Section C below.

## **C. MAXIMUM ANNUAL SPECIAL TAXES**

### **1. Developed Property**

Each Fiscal Year commencing in Fiscal Year 2017-2018, each Assessor's Parcel of Developed Property shall be subject to the Special Tax. The Maximum Special Tax for Developed Property for Fiscal Year 2017-2018 is shown below in Table 1.

**Table 1**  
**Developed Property**  
**Maximum Special Tax Rates**

<b>Land Use Type</b>	<b>Maximum Special Tax Base Year (2017/18)</b>
<b>Residential</b>	
SFR Property	\$288 per Residential Unit
MFR Property	\$216 per Residential Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax rate shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

### **2. Undeveloped Property**

Each Fiscal Year commencing in Fiscal Year 2017-2018, each Assessor's Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax.

### **3. Exempt Property**

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel or Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

## **D. METHOD OF APPORTIONMENT OF SPECIAL TAX**

Commencing in Fiscal Year 2017-2018 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD 2016-1 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be

1 levied Proportionately on each Assessor's Parcel of Developed Property within CFD 2016-1 up  
2 to 100% of the Maximum Special Tax to satisfy the Special Tax Requirement.

3 Notwithstanding any provision of this Section D to the contrary, under no circumstances will the  
4 Special Tax levied against any Assessor's Parcel of Developed Property that is classified as  
5 Residential Property be increased by more than ten percent (10%) per Fiscal Year as a  
6 consequence of delinquency or default in the payment of Special Taxes by the owner of any  
7 other Assessor's Parcel.

#### 8 **E. PREPAYMENT OF SPECIAL TAX**

9 The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized  
10 services and therefore may not be prepaid.

#### 11 **F. EXEMPTIONS**

12 The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner  
13 Association Property, (iii) Assessor's Parcels with public or utility easements making impractical  
14 their utilization for other than the purposes set forth in the easement, including but not limited to  
15 property designated for open space, trails, pathways, parks or park and recreation related  
16 facilities, (iv) property reasonably designated by the City or CFD Administrator as Exempt  
17 Property due to deed restrictions, conservation easement, or similar factors.

#### 18 **G. APPEALS**

19 Any property owner claiming that the amount or application of the Special Tax is not correct  
20 may file a written notice of appeal with the CFD Administrator not later than twelve months after  
21 having paid the first installment of the Special Tax A that is disputed. The CFD Administrator  
22 shall promptly review the appeal, and if necessary, meet with the property owner, consider  
23 written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the  
24 decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be  
25 modified or changed in favor of the property owner, a cash refund shall not be made but an  
26 adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal  
27 Year(s) to compensate for the overpayment of the Special Tax.

#### 28 **H. MANNER OF COLLECTION**

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary  
ad valorem property taxes, provided, however, that the Special Taxes may be billed and collected  
at a different time or in a different manner if necessary to meet the financial obligations of CFD  
2016-1.

**EXHIBIT B**  
**SAMPLE BALLOT**

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OFFICIAL BALLOT  
SPECIAL ELECTION

City of Rialto

Community Facilities District No. 2016-1 (Public Services)

Annexation No. 2

This ballot is for a special landowner election. You must return this ballot in the enclosed postage paid envelope to the Office of the City Clerk of the City of Rialto no later than 6:00 p.m. on January 8, 2019, either by mail or in person. Ballots received after the special election with a postmark of the special election date, or earlier date, shall not be considered. The City Clerk's office is located at 290 W. Rialto Avenue, Rialto, California, 92376.

To vote, mark a cross (X) in the voting square after the word "YES" or after the word "NO". All distinguishing marks otherwise made are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Rialto and obtain another.

**PROPOSITION A:** Shall special taxes be levied annually on taxable property within the territory to be annexed into the City of Rialto Community Facilities District No. 2016-1 (Public Services), County of San Bernardino, State of California ("Annexation No. 2") and collected so long as the special taxes are needed to pay for maintenance and operational costs for police protection services, fire protection and suppression services, paramedic services, and park maintenance at the special tax rates and pursuant to the method of apportioning the special taxes set forth in Exhibit "B" to the Resolution of Intention, Resolution No. 7422, adopted by the City Council of the City of Rialto on November 13, 2018?

☐

Yes

☐

No

**PROPOSITION B:** Shall an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, be established for Annexation No. 2 to the City of Rialto Community Facilities District No. 2016-1 (Public Services), County of San Bernardino, State of California, in the amount of \$1,000,000 per annum?

☐

Yes

☐

No

Number of votes: 3      Property Owner: SA Golden Investment, Inc.  
c/o 642 N Linden LLC

By: \_\_\_\_\_  
Saber Awad, Property Owner