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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, STATING ITS INTENTION TO ANNEX CERTAIN TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (PUBLIC SERVICES) (“CFD NO. 2016-1”), SETTING A TIME AND DATE FOR THE PUBLIC HEARING THEREON AND ADOPTING A BOUNDARY MAP SHOWING SUCH TERRITORY PROPOSED TO BE ANNEXED TO CFD NO. 2016-1

WHEREAS, the City Council of the City of Rialto (hereinafter “City Council”) has received a “Petition to Annex Real Property to City of Rialto Community Facilities District No. 2016-1 (Public Services) and Consent and Waiver with respect to Certain Related Matters” (“Petition”) from all of the owners of certain property within the City (“Owners”) requesting that the city reinstitute certain proceedings with respect to the annexation of its property to City of Rialto Community Facilities District No. 2016-1 (Public Services) (the “CFD No. 2016-1”) due to certain mistakes of one of the owners in prior proceedings; and

WHEREAS, pursuant to the Petition, the Owners requested proceedings be instituted and completed on January 29, 2019, with respect to the annexation of the territory to the CFD No. 2016-1 and provided all requirements and returned all ballots for proceedings to be held on January 29, 2019; and

WHEREAS, on January 29, 2019, City Council opened and continued a public hearing with respect to the annexation of the territory to February 12, 2019; and

WHEREAS, the City Council, at this time desires to authorize the annexation of territory to CFD No. 2016-1 pursuant to the terms and 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, as amended (the “Act”); and

WHEREAS, CFD 2016-1 was formed to finance police protection services, fire protection and suppression services, ambulance and paramedic services, and park maintenance and other public

1 services in addition to those provided in or required for the territory within CFD No. 2016-1 and will
2 not be replacing services already available; and

3 **WHEREAS**, certain territory is proposed to be annexed to CFD No. 2016-1 and such territory
4 shall be known and designated as Community Facilities District No. 2016-1 (Public Services),
5 Annexation No. 2 (“Annexation No. 2”);

6 **WHEREAS**, this legislative body now desires to proceed to adopt its Resolution of Intention
7 to annex Annexation No. 2 into CFD No. 2016-1 to describe the territory proposed to be annexed,
8 Annexation No. 2, to specify the services to be financed from the proceeds of the levy of special taxes
9 within Annexation No. 2 , to set and specify the special taxes that would be levied within the territory
10 to finance such services, and to set a time and place for a public hearing relating to the annexation of
11 Annexation No. 2 into CFD No. 2016-1; and

12 **WHEREAS**, pursuant to the Petition, the Owner has waived certain notice and time periods
13 required by the Act in order to hold the public hearing and the election on the date of this Resolution;
14 and

15 **WHEREAS**, a map showing the boundaries of Annexation No. 2 proposed to be annexed has
16 been submitted, and a copy of the map shall be kept on file with the transcript of these proceedings.

17 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO HEREBY
18 RESOLVES AS FOLLOWS:

19 **Section 1:** Recitals Correct. The foregoing recitals are true and correct and the Petition,
20 including the consent and waivers therein, is hereby accepted by the City Council.

21 **Section 2:** Authorization. The proceedings for annexing Annexation No. 2 into CFD No.
22 2016-1 are authorized and initiated by this legislative body pursuant to the authorization of the Act.

23 **Section 3:** Intention to Annex. This legislative body hereby determines that the public
24 convenience and necessity requires that Annexation No. 2 be added to CFD No. 2016-1 in order to pay
25 the costs and expenses for the required and authorized new services generated from new development
26 within the City and this City Council declares its intention to annex Annexation No. 2 to CFD No.
27 2016-1.

28 **Section 4:** Boundaries. A general description of the boundaries of Annexation No. 2

proposed to be annexed is as follows:

All that territory proposed to be annexed to CFD No. 2016-1, as such property is shown on a map designated as “Annexation Map No. 2 of Community Facilities District No. 2016-1 (Public Services), City of Rialto, County of San Bernardino, State of California,” attached hereto as Exhibit “A” and hereby incorporated by reference.

Existing territory includes the following:

CFD	General description of existing territory
Original area	Serrano Place
Annexation No. 1	Crestwood Communities

Section 5: Name of the District. The name of the district is “City of Rialto Community Facilities District No. 2016-1 (Public Services)” and the designation for the territory to be annexed shall be “City of Rialto Community Facilities District No. 2016-1 (Public Services), Annexation No. 2”.

Section 6: Services Authorized to be Financed by CFD No. 2016-1, Annexation No. 2.
The services that are authorized to be financed by CFD No. 2016-1 are certain services which are in addition to those provided in or required for the territory within CFD No. 2016-1 and Annexation No. 2 and will not be replacing services already available. The services are necessary to meeting the increased demands place on the City as a result of development occurring within the CFD 2016-2, and Annexation No. 2. A general description of the services to be financed by CFD No. 2016-1 and Annexation No. 2 is as follows:

PUBLIC SERVICES

Police protection services, fire protection and suppression services, ambulance and paramedic services; maintenance and lighting of parks, parkways, streets, roads, and open space; flood and storm protection services including but not limited to (i) the costs of contracting or directly providing services, (ii) equipment and materials, vehicles, ambulances 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 services defined herein, respectively, and (iv) City overhead costs associated with providing such services within CFD No. 2016-1.

1
2 The same types of services which are authorized to be financed by CFD No. 2016-1 are the types of
3 services to be provided in Annexation No. 2. If, and to the extent possible, such services shall be
4 provided in common within CFD No. 2016-1 and Annexation No. 2.

5 **Section 7:** Special Taxes. It is the further intention of this City Council body that, except
6 where funds are otherwise available to the CFD to pay for services, a Special Tax sufficient to pay for
7 such services to be provided in CFD No. 2016-1 and Annexation No. 2, and related incidental
8 expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt
9 real property in Annexation No. 2, will be levied annually within the boundaries of such Annexation
10 No. 2. For further particulars as to the rate and method of apportionment of the proposed special tax,
11 reference is made to the attached and incorporated Exhibit "B" (the "Rate and Method of
12 Apportionment"), which sets forth in sufficient detail the method of apportionment to allow each
13 landowner or resident within proposed Annexation No. 2 to clearly estimate the maximum amount that
14 such person will have to pay.

15 The special tax proposed to be levied within Annexation No. 2 for services to be supplied
16 within Annexation No. 2 shall be equal to the special tax levied to pay for the same services in CFD
17 No. 2016-1, to the extent that the actual cost of providing the services in Annexation No. 2 is
18 equivalent to the cost of providing those services in CFD No. 2016-1. Notwithstanding the foregoing,
19 the special tax may not be levied at a rate that is higher than the maximum special tax authorized to be
20 levied pursuant to the Rate and Method of Apportionment.

21 The special taxes herein authorized, to the extent possible, shall be collected in the same
22 manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and
23 lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may
24 not be collected on the County tax roll shall be collected through a direct billing procedure by the City
25 Treasurer.

26 The maximum special tax rate in CFD No. 2016-1 shall not be increased as a result of the
27 annexation of Annexation No. 2 to CFD No. 2016-1.
28

1 **Section 8:** Public Hearing. Notice is given that on the 29th day of January, 2019 where
2 opened, at the hour of 6:00 p.m. and as continued on the 12th day of February, 2019, in the regular
3 meeting place of the City Council being the Civic Center Council Chambers located at 150 S. Palm
4 Avenue Rialto, CA 92376, a public hearing will be held where this City Council will consider the
5 authorization for the annexation of Annexation No. 2 to CFD No. 2016-1, the proposed method and
6 apportionment of the special tax to be levied with Annexation No. 2 and all other matters as set forth
7 in this Resolution of Intention.

8 At such public hearing, the testimony of all interested persons for or against the annexation of
9 Annexation No. 2 or the levying of special taxes within Annexation No. 2 will be heard.

10 At such public hearing, protests against the proposed annexation of Annexation No. 2, the levy
11 of special taxes within Annexation No. 2 or any other proposals contained in this resolution may be
12 made orally by any interested person. Any protests pertaining to the regularity or sufficiency of the
13 proceedings shall be in writing and shall clearly set forth the irregularities or defects to which
14 objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the
15 public hearing. Written protests may be withdrawn at any time before the conclusion of the public
16 hearing.

17 **Section 9:** Majority Protest. If (a) 50% or more of the registered voters, or six (6)
18 registered voters, whichever is more, residing within CFD No. 2016-1, (b) 50% or more of the
19 registered voters, or six (6) registered voters, whichever is more, residing within Annexation No. 2, (c)
20 owners of one-half or more of the area of land in the territory included in CFD 2016-1, or (d) owners
21 of one-half or more of the area of land in the territory included in Annexation No. 2, file written
22 protests against the proposed annexation of Annexation No. 2 to CFD No. 2016-1 and such protests
23 are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be
24 undertaken for a period of one year from the date of the decision by the City Council on the
25 annexation of Annexation No. 2 to CFD 2016-1.

26 **Section 10:** Notice. Notice of the time and place of the public hearing has been given by the
27 City Clerk by publication in a legally designated newspaper of general circulation, in the territory of
28 Annexation No. 2 and CFD 2016-1 pursuant to Section 6061 of the Government Code. Said

1 publication has been completed at least seven (7) days prior to the date set for the public hearing and
2 contained the information prescribed in Section 53322 of the Act.

3 **Section 11:** Prior Proceedings. All prior proceedings which were held with respect to
4 Annexation No. 2 to CFD 2016-1 on November 13, 2018 and January 8, 2019, are hereby declared to be
5 null and void as if said proceedings had not happened. All prior action inconsistent with this Resolution
6 related to Annexation No. 2 to CFD 2016-2 are of no force and effect.

7 **Section 12:** The City Clerk shall certify to the adoption of this resolution.

8 **WHEREFORE,** this Resolution is passed, approved and adopted this 12th day of February,
9 2019.

10 _____
11 DEBORAH ROBERTSON, Mayor

12 **ATTEST:**

13 _____
14
15 BARBARA McGEE, City Clerk

16
17 **APPROVED AS TO FORM**

18
19 _____
20 FRED GALANTE, City Attorney

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

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Resolution No._____ was duly passed and adopted at a regular meeting of the City Council of the City
6 of Rialto held on the 12th day of February, 2019.

7 Upon motion of Councilmember _____, seconded by Councilmember
8 _____, the foregoing Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

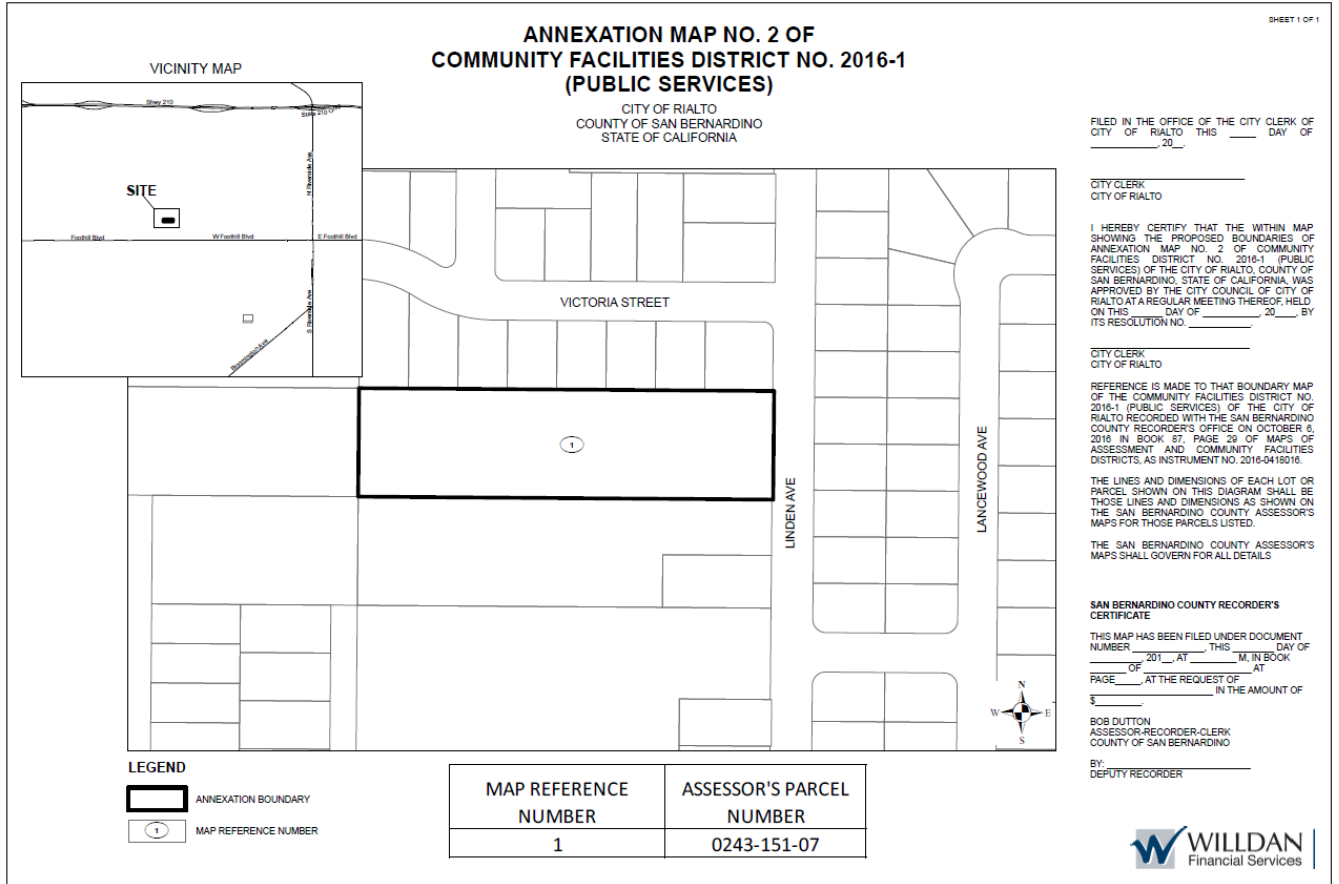
12 ABSENT:

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

15
16
17 _____
18 BARBARA A. McGEE, City Clerk
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EXHIBIT A

ANNEXATION MAP



1
2 **EXHIBIT B**

3 **RATE AND METHOD OF APPORTIONMENT**
4

5 A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Rialto
6 Community Facilities District 2016-1 (Public Services), ("CFD 2016-1"), other than Assessor's Parcels
7 classified as Exempt Property as defined herein, and collected each Fiscal Year commencing in Fiscal
8 Year 2017-2018, in an amount determined by the CFD Administrator through the application of the
9 procedures described below. All of the real property within CFD 2016-1, unless exempted by law or by
10 the provisions hereof, shall be taxed 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 an
14 Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area
15 shown on the applicable Final Subdivision Map, other final map, other parcel map, other condominium
16 plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The
17 square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

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

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

27 **"Annual Escalation Factor"** means the lesser of three percent (3%) or the annual percentage increase,
28 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 for
3 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 determining
5 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)
7 established by the City Council under the Act.

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

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

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

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

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

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

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

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

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

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

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

28 **“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
recorded with the County Recorder to a property owner association, including any master or sub-
association, as of **June 1**.

“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.

“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
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
classified and taxed according to the use thereof.

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, to
12 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.

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

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

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

30 Each Fiscal Year, beginning with Fiscal Year 2017-2018, using the definitions above, each Assessor’s
31 Parcel within the CFD 2016-1 shall be classified by the CFD Administrator as Taxable Property or
32 Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall
33 be further classified by the CFD Administrator as Developed Property or Undeveloped Property.
34 Developed Property shall be further classified as Single-Family Residential Property or Multi-Family
35 Residential Property. Commencing with Fiscal Year 2017-2018 and for each subsequent Fiscal Year,
36 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)
Residential	
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.

1 Notwithstanding any provision of this Section D to the contrary, under no circumstances will the
2 Special Tax levied against any Assessor's Parcel of Developed Property that is classified as Residential
3 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.

4 **E. PREPAYMENT OF SPECIAL TAX**

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

7 **F. EXEMPTIONS**

8
9 The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner
10 Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their
11 utilization for other than the purposes set forth in the easement, including but not limited to property
12 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.

13 **G. APPEALS**

14 Any property owner claiming that the amount or application of the Special Tax is not correct may file a
15 written notice of appeal with the CFD Administrator not later than twelve months after having paid the
16 first installment of the Special Tax A that is disputed. The CFD Administrator shall promptly review
17 the appeal, and if necessary, meet with the property owner, consider written and oral evidence
18 regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD
19 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.

20 **H. MANNER OF COLLECTION**

21
22 The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad
23 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.