

**RESOLUTION NUMBER 5665**

***A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF CITY OF PERRIS COMMUNITY FACILITIES DISTRICT NO. 2018-02 (PUBLIC SERVICES DISTRICT) DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO [ANNEXATION NO. 3]***

**WHEREAS**, the City Council (the “Council”) of the City of Perris, California (the “City”), on September 25, 2018, adopted Resolution No. 5366 (the “Resolution of Formation”) stating its intention to form Community Facilities District No. 2018-02 (Public Services District) of the City of Perris (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the “Act”) being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, within the territory described more fully on the map entitled “Proposed Boundaries of City of Perris, Community Facilities District No. 2018-02 (Public Services District), County of Riverside, State of California” a copy of which is on file with the City Clerk of the City of Perris; and

**WHEREAS**, on November 13, 2018, the Council adopted Resolution No. 5402 which established the District and called an election within the District on the proposition of levying a special tax; and

**WHEREAS**, on November 13, 2018, an election was held within the District at which the qualified electors approved by more than a two-thirds (2/3) vote the proposition of levying a special tax pursuant to a special tax formula (the “Rate and Method of Apportionment”) as set forth in Resolution No. 5402 and attached hereto and incorporated herein as Exhibit “A”, showing the tax levels in fiscal year 2018-19 and certain changes to indicate commencement of the levy the special tax; and

**WHEREAS**, the Council has heretofore adopted an Ordinance (the “Ordinance”) which provided for the levying and collection of special taxes (the “Special Taxes”) within the District, as provided in the Act and the Ordinance in accordance with the Rate and Method of Apportionment; and

**WHEREAS**, a petition (the “Petition”) requesting the institution of proceedings for annexation to the District signed by the landowner within the proposed territory to be annexed (the “Property”) as more fully described in Exhibit “B”, attached hereto and incorporated herein, has been received, filed with and accepted by the City Clerk of the City of Perris; and

**WHEREAS**, the Council has duly considered the admissibility and necessity of instituting proceedings to annex the Property to the District under and pursuant to the terms and conditions and provisions of Article 3.5 of the Act, commencing with Government Code Section 53339; and

**WHEREAS**, the Council has determined to institute proceedings for the annexation of such Property to the District, and has determined to (a) set forth the boundaries of the territory which is proposed for annexation to the District, (b) state the public services to be provided in and for the Property, (c) specify the special taxes to be levied with the Property, and (d) set a date, time and place for a public hearing relating to the annexation of the Property to the District and the levy of special tax therein to pay for such public facilities.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Perris, California, as follows:

**Section 1.** That the above recitals are all true and correct.

**Section 2.** It is the intention of the Council, acting as the legislative body of the District, to annex the Property to the District under and pursuant to the terms and provisions of the Act. The boundaries of the Property proposed for annexation to the District are more particularly described and shown on that certain map entitled “Annexation Map No. 3 to Community Facilities District No. 2018-02 (Public Services District)” that has been filed with the City Clerk of the City and a copy of which, together with a legal description of such territory, is described in Exhibit “B”. The City Clerk is hereby authorized and directed to endorse the Certificate on said map evidencing the date and adoption of this resolution and is further authorized and directed to file said map with the County Recorder of the County of Riverside in accordance with the provisions of Section 3111 of the California Streets and Highways Code within fifteen (15) days of the adoption of this resolution and not later than fifteen (15) days prior to the date of the public hearing as set forth in Section 5 hereof.

**Section 3.** It is the intention of the Council to order the financing of all related administrative costs and expenses, necessary utility (water and electricity) costs, and related reserves for replacement of vehicles, equipment and facilities, including the costs incurred to determine, levy and collect the special taxes, including the compensation of City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the charges imposed by the County for the levy and collection of special taxes on the property tax rolls, preparation of required reports, and amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years, to reimburse the City or any third parties for actual costs advanced that are related to the formation of the CFD, any amounts needed for operating reserves and capital reserves, and any other costs incurred in the administration of the CFD by the City. The Services are public services that the City or a public agency is authorized by law to contribute revenue to or to provide. A description of the types of Services to be financed is set forth in Resolution No. 5402 and incorporated herein by reference. The Services to be financed by or on behalf of the District are necessary to meet increased demand upon the City and other public agencies as a result of development occurring within the boundaries of the Property. The Property, on a per unit basis, will share in the cost of the Services in the same proportion as units with the existing District pursuant to the Rate and Method of Apportionment.

The final nature and location of the Services will be determined upon the preparation of final plans and specifications which may show substitutes in lieu of, or modifications to, the

proposed Services. Any such substitution shall not be deemed a change or modification of the Services so long as the substitution provides a service substantially similar to the Services.

**Section 4.** It is the intention of the City Council that, except where funds are otherwise available, a special tax sufficient to pay for the Services and the Facilities, including the repayment of funds advanced to the District, annual administration expenses in determining, apportioning, levying and collecting such special taxes, secured by recordation of a continuing lien against all non-exempt real property within the boundaries of the Property, will be levied annually on land within the boundaries of the Property. The Rate and Method of Apportionment shall remain unchanged as a result of the proposed annexation, except that the conditions to commencement of the tax have been met. The Property will be subject to the Special Tax pursuant to the Rate and Method of Apportionment. The special tax as apportioned to each parcel within the Property is fairly apportioned as determined by the City Council and as permitted by Section 53339.3 of the Act, and the apportionment of the special tax is not on or based upon the value or ownership of real property.

**Section 5.** Notice is hereby given that on the 28<sup>th</sup> day of July 2020, at the hour of 6:30 p.m., or as soon thereafter as is practicable, in the chambers of the City Council of the City of Perris, 101 North "D" Street, Perris, California 92570, a public hearing will be held at which the City Council, as the legislative body of the District, shall consider the proposed annexation of the Property and all other matters as set forth in this Resolution of Intention. At the above-mentioned time and place for such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the District and the Property proposed to be annexed, may appear and be heard, and such testimony for or against the proposed annexation will be heard and considered.

**Section 6.** Any protests may be made orally or in writing, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. If written protests against the proposed annexation are filed by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the existing District, or by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the Property proposed to be annexed, or by owners of one-half (1/2) or more of the area of land included within the existing District, or by owners of one-half (1/2) or more of the area of land proposed to be annexed to the District, the proceedings shall be abandoned as to those matters receiving a majority protest.

**Section 7.** If, following the public hearing described herein, the Council determines to annex the Property to the District and levy a special tax thereon, the Council shall then submit the annexation of the Property and levy of the special tax to the qualified voters of the Property. If at least twelve (12) persons, who need not necessarily be the same twelve (12) persons, have been registered to vote within the territory of the Property for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters residing within the Property, with each voter having one (1) vote. Otherwise, the vote shall be a mail ballot election, consistent with

Section 53327.5 of the Act, by the landowners of the Property who are owners of record at the close of the public hearing, with each landowner having one (1) vote for each acre or portion of an acre of land owned within the Property. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

**Section 8.** The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in annexing the Property to the District. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Council, with or without interest.

**Section 9.** The City Clerk is hereby directed, to the extent that such notice is required, to publish a notice (“Notice”) of the hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed District. Such Notice shall contain the text of this Resolution, state the time and place of the hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the proposed District as provided in Section 53324 of the Act and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

**Section 10.** This Resolution shall take effect immediately upon its adoption.

*ADOPTED, SIGNED* and *APPROVED* this 12<sup>th</sup> day of May, 2020.

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Mayor, Michael M. Vargas

ATTEST:

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City Clerk, Nancy Salazar

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 5665 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 12<sup>th</sup> day of May, 2020, by the following called vote:

AYES: ROGERS, MAGAÑA, CORONA, RABB, VARGAS  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

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City Clerk, Nancy Salazar

## Exhibit A

### RATE AND METHOD OF APPORTIONMENT FOR CITY OF PERRIS COMMUNITY FACILITIES DISTRICT NO. 2018-02 (PUBLIC SERVICES DISTRICT) CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in City of Perris Community Facilities District No. 2018-02 (Public Services District), City of Perris, County of Riverside, State of California ("CFD No. 2018-02") and collected each Fiscal Year commencing in Fiscal Year 2018-19, in an amount determined by the City Council through the application of the appropriate Special Tax, as described below. All of the real property in CFD No. 2018-02, unless exempted by law or by the provisions hereof, shall be taxed for these purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Act"** means the Mello-Roos Community 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 costs directly related to the administration of CFD No. 2018-02: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs to the City, CFD No. 2018-02, or any designee thereof of complying with CFD No. 2018-02 or obligated persons disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2018-02, or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2018-02 for any other administrative purposes of CFD No. 2018-02, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**"Assessor's Parcel" or "Parcel"** means a lot or parcel shown on 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.

**"Authorized Services"** means those services eligible to be funded by CFD No. 2018-02, as defined in the Resolution of Formation and authorized to be financed by CFD No. 2018-02 pursuant to Section 53313 and Section 53313.5 of the Act. CFD No. 2018-02 shall finance Authorized Services only to the extent that they are in addition to those provided

in the territory of CFD No. 2018-02 before the CFD was created and such Authorized Services may not supplant services already available within CFD No. 2018-02 when the CFD was created.

**“Building Permit”** means a permit issued by the City or other governmental agency for the construction of a residential or non-residential building on an Assessor’s Parcel.

**“CFD Administrator”** means an official of CFD No. 2018-02, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 2018-02”** means City of Perris Community Facilities District No. 2018-02 (Public Services District), City of Perris, County of Riverside, State of California.

**“City”** means the City of Perris, California.

**“City Council”** means the City Council of the City.

**“Consumer Price Index”** means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All items in Los Angeles-Riverside-Orange County, CA, all urban consumers, not seasonally adjusted” index (Series Id: CUURA421SA0), measured as of the month of December in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index.

**“County”** means the County of Riverside.

**“Developed Property”** means, for each Fiscal Year, all Assessor’s Parcels for which a Building Permit was issued after January 1, 2017 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Floor Area”** means the total building square footage of non-residential building(s) or the non-residential portion of a building with both residential and non-residential areas located on an Assessor’s Parcel of Taxable Property, measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two (2) sides. The determination of Floor Area shall be made by reference to the Building Permit(s) issued for such Assessor’s Parcel and/or to the appropriate records kept by the City’s Building Division, as reasonably determined by the CFD Administrator.

**“Industrial Zone(s)”** means zoning designation identified in the Chapter 19.44 of the City’s Zoning Ordinance (as amended by the City from time to time).

**“Maximum Special Tax”** means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C, below, that can be levied on any Assessor’s Parcel.

**“Non-Residential Property”** means any and each Assessor’s Parcel of Developed Property for which a Building Permit permitting the construction of one or more non-residential units or facilities, has been issued by the City or some other governmental agency.

**“Property Owner Association Property”** means, for each Fiscal Year, any Assessor’s Parcel within the boundaries of CFD No. 2018-02 that is owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association, not including any such property that is located directly under a residential or non-residential structure.

**“Proportionately”** means that the ratio of the actual annual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Property.

**“Public Property”** means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2018-02 that is owned by or irrevocably offered for dedication to the Federal government, the State, the City, or any other public agency; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2018-02 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

**“Rate and Method of Apportionment” or “RMA”** means this Rate and Method of Apportionment of Special Tax.

**“Resolution of Formation”** means the resolution forming CFD No. 2018-02.

**“Special Tax” or “Special Taxes”** means the special tax or special taxes to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

**“Special Tax Requirement”** means that amount to be collected in any Fiscal Year for CFD No. 2018-02 to pay for certain costs as required to meet the needs of CFD No. 2018-02 in that Fiscal Year. The costs to be covered shall be the direct costs for (i) Authorized Services, including the establishment of reserves for future costs of Authorized Services, (ii) Administrative Expenses, and (iii) an amount to cover anticipated delinquencies for the payment of the Special Tax, based on the delinquency rate for the preceding Fiscal Year; less (iv) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Special Tax Requirement include debt service payments for debt financings by CFD No. 2018-02.

**“State”** means the State of California.

“**Taxable Property**” means an Assessor’s Parcel of Non-Residential Property (i) for which a Building Permit has been issued permitting the construction of one or more land uses allowed in an Industrial Zone, and (ii) that is not exempt from the Special Tax pursuant to law or Section E below.

“**Non-Taxable Property**” means, for each Fiscal Year, all property not classified as Taxable Property.

**B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, all Assessor’s Parcels within CFD No. 2018-02 shall be classified by the CFD Administrator as Taxable Property or Non-Taxable Property, and shall be subject to annual Special Taxes in accordance with this Rate and Method of Apportionment as determined by the CFD Administrator pursuant to Sections C and D below. The CFD Administrator’s allocation of property to each type of Land Use Class shall be conclusive and binding. However, only Taxable Property shall be subject to annual Special Taxes in accordance with the Rate and Method of Apportionment as determined pursuant to Sections C and D below.

**C. MAXIMUM SPECIAL TAX RATE**

**1. Taxable Property**

a. Maximum Special Tax

The Maximum Special Tax for Fiscal Year 2018-19 for Taxable Property is shown below in Table 1.

**TABLE 1**

**Maximum Special Taxes  
For Fiscal Year 2018-19  
Community Facilities District No. 2018-02**

<b>Land Use Class</b>	<b>Land Use</b>	<b>Fiscal Year 2018-2019 Maximum Special Tax</b>
1	Taxable Property	\$18.47 per Thousand Square Feet of Floor Area

b. Multiple Land Use Classes

In some instances, an Assessor's Parcel of Taxable Property may contain more than one Land Use Class. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel.

c. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2019, the Maximum Special Tax for Taxable Property shall be increased annually by the greater of the change in the Consumer Price Index during the twelve (12) months prior to December of the previous Fiscal Year, or two percent (2.00%).

**2. Non-Taxable Property**

No Special Taxes shall be levied on Non-Taxable Property.

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

Commencing with Fiscal Year 2018-19 and for each following Fiscal Year, the City Council shall levy the annual Special Tax Proportionately for each Assessor's Parcel of Taxable Property at up to 100% of the applicable Maximum Special Tax, until the amount of Special Taxes equals the Special Tax Requirement.

**E. EXEMPTIONS**

No Special Tax shall be levied on Non-Taxable Property, Property Owner Association Property, or Public Property. However, should an Assessor's Parcel no longer be classified as Non-Taxable Property, Property Owner Association Property, or Public Property, such Assessor's Parcel shall, upon each reclassification, no longer be exempt from Special Taxes.

**F. APPEALS AND INTERPRETATIONS**

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has thirty (30) days in which to appeal to the City Council

by filing a written notice of appeal with the clerk of the City, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CFD Administrator's determination. The CFD Administrator may charge the appellant a reasonable fee for processing the appeal.

The City may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the City will be final and binding as to all persons.

**G. MANNER OF COLLECTION**

The annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary or otherwise advisable to meet its financial obligations for CFD No. 2018-02, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

**H. FUTURE ANNEXATIONS**

It is anticipated that additional properties will be annexed to CFD No. 2018-02 from time to time. As each annexation is proposed, an analysis may be prepared to determine the annual cost for providing Authorized Services to such parcels. Based on this analysis, any parcels to be annexed, pursuant to California Government Code Section 53339 *et seq.* will be assigned the approximate Maximum Special Tax rates when annexed and included in Exhibit A.

**I. TERM OF SPECIAL TAX**

The Special Tax shall be levied in perpetuity as necessary to meet the Special Tax Requirement, unless no longer required to pay for Authorized Services as determined at the discretion of the City.

**Exhibit B**

**CITY OF PERRIS  
COMMUNITY FACILITIES DISTRICT NO. 2018-02  
(PUBLIC SERVICES DISTRICT)**

**BOUNDARY MAP**

**[See Attached]**