

**ORDINANCE NUMBER 1376**

***AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF THE CITY OF PERRIS COMMUNITY FACILITIES DISTRICT NO. 2018-02 (PUBLIC SERVICES DISTRICT) LEVYING SPECIAL TAXES WITHIN THE CITYWIDE CITY OF PERRIS COMMUNITY FACILITIES DISTRICT NO. 2018-02 (PUBLIC SERVICES DISTRICT)***

**WHEREAS**, on September 25, 2018, this City Council adopted a resolution (No. 5366) entitled "A Resolution Of The City Council Of The City Of Perris, Intention To Establish A Community Facilities District And Future Annexation Area, Community Facilities District No. 2018-02 (Public Services District) (the "CFD") under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"); and

**WHEREAS**, notice was published as required by the Act relative to the intention of this City Council to form the CFD and to provide for the Services; and

**WHEREAS**, this City Council held a noticed public hearing as required by the Act relative to the determination to proceed with the formation of Community Facilities District No. 2018-02 (Public Services District) regarding the rate and method of apportionment of the special tax to be levied within the boundaries of the CFD to finance the costs of Services; and

**WHEREAS**, at said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of said special taxes were heard, substantial evidence was presented and considered by this City Council and a full and fair hearing was held; and

**WHEREAS**, subsequent to said public hearing the Board adopted its resolutions entitled "A Resolution Of The City Council Of The City Of Perris, California, Authorizing Formation Of City Of Perris Community Facilities District No. 2018-02 (Public Services District) And The Levy Of A Special Tax Therein (the "Resolution of Formation)", and "A Resolution Of The City Council Of The City Of Perris, California, Calling A Special Election For The Purpose Of Approving A Special Tax In The City Of Perris Community Facilities District No. 2018-02 (Public Services District) And Establishment Of An Appropriations Limit," which resolutions established the CFD and the Improvement Area of the CFD, authorized the levy of special tax within the Improvement Area of the CFD and called an election within the Improvement Area of the CFD on the propositions of levying a special tax and establishing an appropriations limit within the Improvement Area of the CFD; and

**WHEREAS**, an election was held within the boundaries of the CFD in which the eligible landowner electors approved said propositions by more than the two-thirds vote required by the Act.

***NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS,  
CALIFORNIA, DOES ORDAIN, AS FOLLOWS:***

***Section 1. Recitals.*** The City Council of the City of Perris finds that the above recitals are true and correct and are incorporated herein by reference.

***Section 2. Levy of Special Tax.*** By the passage of this Ordinance, the City Council authorizes and levies special taxes within the CFD pursuant to Sections 53328 and 53340 of the Act, at the rates and in accordance with the method of apportionment set forth in Exhibit A (the “Rate & Method of Apportionment”). The special taxes are hereby levied commencing in fiscal year 2018-2019 and in each fiscal year thereafter as provided in the Rate and Method of Apportionment.

***Section 3. Annual Levy.*** The legislative body of the CFD and Improvement Area therein is hereby authorized each year, by resolution adopted pursuant to Government Code Section 53340, to determine the specific special tax rate and amount to be levied for the then-current or future tax years, except that the special tax rate to be levied shall not exceed the maximum rate set forth in the Rate & Method of Apportionment.

***Section 4. Property Exempt From Tax.*** Subject to California Government Code Sections 53317.3 and 53317.5, properties or entities of the state, federal or local governments shall be exempt from any levy of the special taxes, to the extent set forth in the Rate & Method of Apportionment. In no event shall the special taxes be levied on any parcel within the CFD in excess of the maximum tax specified in the Rate & Method of Apportionment.

***Section 5. Taxable Property.*** No other properties or entities are exempt from the authorized special tax unless the properties or entities are expressly exempted in the Rate & Method of Apportionment

***Section 6. Use of Proceeds.*** All Special Tax proceeds shall be used as provided for in the Act and the Resolution of Formation. The Special Tax shall be levied only for so long as needed for the purposes described in the Resolution of Formation.

***Section 7. Manner of Collection.*** The Special Tax shall be collected in the same manner as ordinary ad valorem property taxes and shall be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for ad valorem taxes; provided, however, that the CFD may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

***Section 8. Inconsistency.*** To the extent that the terms and provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinances, resolutions, rules or regulations governing the same subject, the terms

and provisions of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistent or conflicting provisions of prior ordinances, resolutions, rules or regulations are hereby repealed as of the effective date of this Ordinance.

**Section 9. Invalidity.** If any provision of this Ordinance or application thereof to any person or circumstance is held invalid, no other provision of this Ordinance shall be affected thereby.

**Section 10. Publication of Ordinance.** The Mayor shall sign this Ordinance and the City Clerk shall attest this Ordinance and cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

**Certification.**  
The City Clerk shall certify to the passage and adoption of this Ordinance by the City Council of the City of Perris and shall cause a summary of this Ordinance to be published or posted in accordance with applicable law.

**Effective Date.**  
This Ordinance shall take effect thirty (30) days after its passage.

**PASSED, APPROVED, and ADOPTED** this 27<sup>th</sup> day of November, 2018

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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, DO HEREBY CERTIFY that the foregoing Ordinance Number 1376 was duly introduced by the City Council of the City of Perris at a regular meeting of said Council held on the 13<sup>th</sup> day of November, 2018 and duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 27<sup>th</sup> day of November, 2018, and that it was so adopted by the following vote:

AYES: BURKE, RABB, ROGERS, CORONA, VARGAS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

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City Clerk, Nancy Salazar

**EXHIBIT A**

**CITY OF PERRIS**  
**Community Facilities District No. 2018-02**  
**(Public Services District)**

**Rate and Method of Apportionment**

**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 A**

**IDENTIFICATION OF FUTURE ANNEXATIONS**