

**RESOLUTION NUMBER 3750**

**RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF PERRIS TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO 1-S (SOUTH PERRIS PUBLIC SERVICES) AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT**

**WHEREAS**, the City Council (the "Council") of the City of Perris (the "City"), acting on its own initiative is authorized to initiate proceedings for the establishment of a community facilities district pursuant to the Mello-Roos Community Services Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California (the "Act"); and

**WHEREAS**, the Council has determined to initiate such proceedings pursuant to its authority under Government Code Section 53318(a) and now intends to form Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris; and

**WHEREAS**, the Council of the City has also received a petition (including consent and waiver) (the "Petition") from the owners of certain property located in the City requesting the institution of proceedings for inclusion in the district; and

**WHEREAS**, the Council has determined that the Petition complies with the requirements of Government Code Section 53318 and now intends to form the district; and

**WHEREAS**, the Council desires to adopt this resolution of intention as provided in Section 53321 of the Act to establish a community facilities district consisting of the territory described in Exhibit "A" hereto and incorporated herein by this reference, which the Council hereby determines shall be known as "Community Facilities District 1-S (South Perris Public Services)" (the "Community Facilities District" or the "District") pursuant to the Act to finance (1) fire protection and suppression services, and ambulance and paramedic services, including all furnishings, equipment and supplies related thereto; (2) police protection services, including, but not limited to, criminal justice services, including all furnishings, equipment and supplies related thereto; (3) park maintenance services, including all furnishings, equipment and supplies related thereto (collectively, the "Services"); and (4) the incidental expenses to be incurred in connection with financing the Services and forming and administering the District (the "Incidental Expenses"); and

**WHEREAS**, it is the intention of the Council to eventually include within the District all property within the City located south of Nuevo Road and providing additional burdens on the City relating to Services; and

**WHEREAS**, the Council has reviewed the report (the "Report") of the Koppel and Gruber Public Finance, the special tax consultant, relating to the provision of such additional Services in the City; and

**WHEREAS**, it is the intention of the Council to consider financing the Services and the Incidental Expenses through the formation of the Community Facilities District and the levy of a special tax therein to pay for the Services and the Incidental Expenses;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1.** The above recitals are true and correct.

**Section 2.** A community facilities district is proposed to be established under the terms of the Act. It is further proposed that the boundaries of the community facilities district shall be as described in Exhibit "A" hereto, which boundaries shall, upon recordation of the boundary map for the District, include the entirety of any parcel subject to taxation by the District. The proposed initial boundaries of the District are depicted on the map of the proposed Community Facilities District which is on file in the office of the City Clerk entitled "Proposed Boundaries, City of Perris, Community Facilities District No. 1-S (South Perris Public Services)", which map indicates by a boundary line the extent of the territory included in the proposed community facilities district and shall govern for all details as to the extent of the District. On the original and one copy of the map of such District on file in the City Clerk's office, the City Clerk shall endorse the certificate evidencing the date and adoption of this resolution. The City Clerk shall file the original of such map in her office and within fifteen (15) days after the adoption of this Resolution, the City Clerk shall file or cause to be filed a copy of such map so endorsed in the records of the County Recorder, County of Riverside, State of California, all as required by Section 3111 of the Streets and Highways Code of the State of California.

**Section 3.** The Council hereby authorizes annexation of territory to the Community Facilities District, subsequent to its formation pursuant to Article 3.5 of the Act, commencing with Section 53339.

**Section 4.** The name of the proposed City of Perris community facilities district shall be "Community Facilities District No. 1-S (South Perris Public Services)."

**Section 5.** The Services proposed to be provided within the District described on Exhibit "B" hereto and to be financed are public Services as defined in the Act, which the City is authorized by law to provide, contribute revenue to, to maintain, and operate. The Council hereby finds and determines that the description of the Services herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds of the District may be used to finance. The Incidental Expenses expected to be incurred include the cost providing the Services, the costs of forming the District, the conduct of the special election, and the costs of levying and collecting a special tax within the District. The Council hereby finds that the proposed Services are necessary to meet increased demands placed upon the City as a result of development occurring in the District. The Services are additional services to be provided by the City pursuant to the Act as is shown in the Report.

**Section 6.** Except where funds are otherwise available, it is the intention of the City Council to levy annually in accordance with procedures contained in the Act a special tax within the District, secured by recordation of a continuing lien against all nonexempt real property therein, sufficient to pay for the Services and Incidental Expenses. The rate and method of appointment and manner of collection of the special tax within the District are described in detail in Exhibit "C" attached hereto and incorporated herein by this reference. Exhibit "C" allows each landowner within the District to estimate the maximum amount that may be levied against each parcel. In the first year in which such special tax is levied, the levy shall include an amount sufficient to repay the District all amounts, if any, transferred to the District pursuant to Section 53314 of the Act and interest thereon.

If special taxes of the District are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased over time, except that it may be increased by an amount not to exceed two percent (2%) per year to the extent permitted in the rate and method of apportionment; (ii) such tax shall be levied in perpetuity, commencing with Fiscal Year 2006-2007, as further described in Exhibit "C" hereto; and (iii) under no circumstances will such special tax be increased as a consequence of delinquency or default by the owner of any other parcels within the District by more than ten percent.

The special tax within the District is based on the expected demand that each parcel of real property within the proposed District will place on the Services and on the benefit that each parcel derives from the right to access the Services. The Council hereby determines that the proposed Services are necessary to meet the increased demand placed upon the City and the existing infrastructure in the City as a result of the development of land proposed for inclusion in the District. The Council hereby determines the rate and method of apportionment of the special tax set forth in Exhibit "C" for the District is reasonable. The special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act, and such special tax is not based upon the value or ownership of real property. In the event that a portion of the property within the District shall become for any reason exempt, wholly or partially, from the levy of the special tax specified on Exhibit "C", the Council shall, on behalf of the District, cause the levy to be increased, subject to the limitation of the maximum special tax for a parcel as set forth in Exhibit "C," to the extent necessary upon the remaining property within the District which is not delinquent or exempt, in order to yield the special tax revenues required for the purposes described in Section 4.

**Section 7.** A public hearing (the "Hearing") on the establishment of the District, the proposed rate and method of apportionment of the Special Tax, and the Services and the Incidental Expenses as described in the Report, shall be held on October 10, 2006, at 6:00 o'clock p.m., or as soon thereafter as practicable, at the chambers of the City Council of the City of Perris, 101 North "D" Street. Perris, California 92570.

Any protests may be made orally or in writing, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be made 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 territory proposed to be included in the District, or the owners of one-half or more of the area of the land in the territory proposed to be included in the District, the proceedings shall be abandoned as to those matters receiving a majority protest.

Should the Council determine to form the District, a special election will be held within the District to authorize the levy of the Special Tax in accordance with the procedures contained in Government Code Section 53326. If held, the proposed voting procedure at the elections will be a landowner vote, with each landowner who is the owner of record of land within the District at the close of the Hearing, or the authorized representative thereof, having one vote for each acre or portion thereof owned within the District. Ballots for the special elections may be distributed by mail or by hand delivery or personal service.

**Section 8.** At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within the proposed District, may appear and be heard.

**Section 9.** Each City officer who is or will be responsible for the District, if it is established, is hereby directed to study the proposed District and, at or before the time of the above-mentioned Hearing, file a report with the City Council, which is to be made a part of the record of the Hearing, containing a brief description of the public Services by type which will, in his or her opinion, be required to meet adequately the needs of the District, and an estimate of the cost of providing those public Services, including the cost of any equipment or facilities related to such services and an estimate of the fair and reasonable cost of any Incidental Expenses to be incurred.

**Section 10.** The City may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in creating 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. The District may also require the payment of a reasonable amount to reflect administrative expenses associated with joining the District.

**Section 11.** The City Clerk is hereby directed 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, 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 7 days prior to the date of the Hearing. The City Clerk shall mail Notice of the Hearing as required by the Act.

***ADOPTED, SIGNED and APPROVED*** this 29<sup>th</sup> day of August, 2006.

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Mayor, Daryl R. Busch

ATTEST:

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City Clerk, Judy L. Haughney

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

I, Judy L. Haughney, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 3750 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 29<sup>th</sup> day of August, 2006, and that it was so adopted by the following called vote:

AYES: Rogers, Yarbrough, Landers, Motte, Busch  
NOES:  
ABSENT:  
ABSTAIN:

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City Clerk, Judy L. Haughney

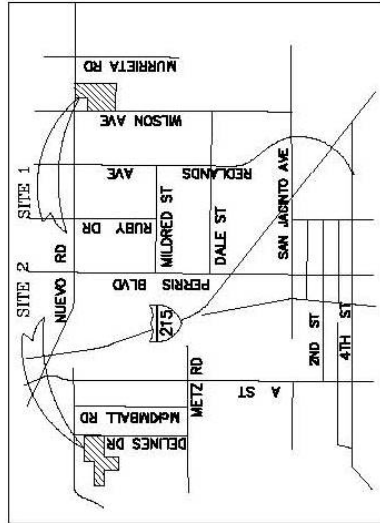
**EXHIBIT "A"**  
***(RESOLUTION NUMBER 3750)***

**BOUNDARY MAP**

[ATTACHED]

# MAP OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 1 - S (SOUTH PERRIS PUBLIC SERVICES)

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2006.  
I, HERBIE GERTY, BEING THE MAIN MAP SUBMITTER, HEREBY PROPOSES BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 1 (SOUTH PERRIS PUBLIC SERVICES) CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2006, BY ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK  
CITY OF PERRIS

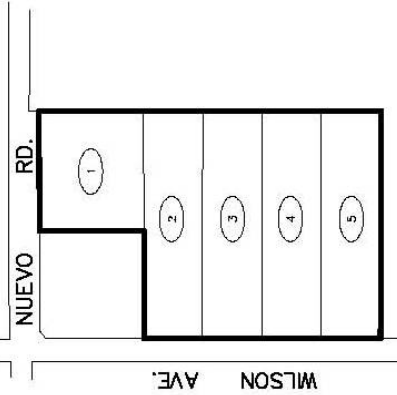
FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2006, AT THE HOUR OF \_\_\_\_\_ O'CLOCK  
PAGE \_\_\_\_\_ AND AS INSTRUMENT NO. \_\_\_\_\_ IN THE OFFICE OF THE  
COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

COUNTY RECORDER  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA

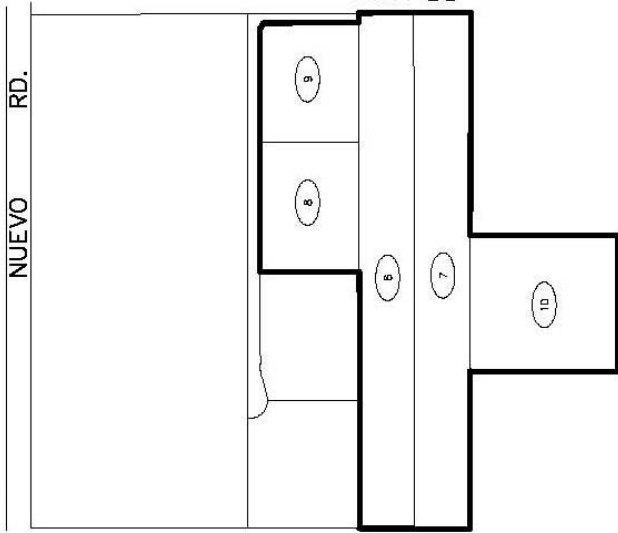
THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THE SAME AS THE DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSORS MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSORS MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

SITE 1.

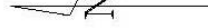


SITE 2.



LEGEND  
— OFD BOUNDARY

○ 1 MAP REFERENCE NUMBER



MAP REF. NO.	ASSESSOR'S PARCEL NO.	TRACT NO.
1	311-180-008	
2	311-180-009	
3	311-180-010	31951
4	311-180-011	
5	311-180-012	
6	311-030-004	
7	311-030-005	
8	311-030-038	31650
9	311-030-040	
10	311-030-022	32406

200' 100' 0'  
SCALE: 1" = 200'

**KOPPEL & GRUBER**  
PUBLIC ENGINEERS

554 Via Vera Cruz  
Suite 200  
Perris, CA 92370  
Phone (760) 510-0290 Fax (760) 510-0269

SEPTEMBER, 2006



**EXHIBIT "B"**  
**(RESOLUTION NUMBER 3750)**

**TYPES OF SERVICES TO BE FINANCED BY  
COMMUNITY FACILITIES DISTRICT NO. 1-S**

Fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; police protection services, including, but not limited to, criminal justice services, including all furnishings, equipment and supplies related thereto; park maintenance services, including all furnishings, equipment and supplies related thereto (collectively, the "Services).

**EXHIBIT “C”**  
**(RESOLUTION NUMBER 3750)**

**CITY OF PERRIS**  
**COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES)**  
**RATE AND METHOD OF APPORTIONMENT**

A Special Tax shall be levied on all Taxable Property within the boundaries of the City of Perris Community Facilities District No. 1-S (South Perris Public Services) (“CFD No. 1-S”) and collected each Fiscal Year commencing in Fiscal Year 2006-2007 according to the tax liability determined by the Council, through the application of the rate and method of apportionment of the Special Tax set forth below. All Taxable Property shall be taxed to the extent and in the manner herein provided.

**1. Definitions**

“**Acreage**” means the land area of an Assessor’s Parcel 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 map, parcel map, condominium plan, or other recorded County parcel map. An Acre means 43,560 square feet of land.

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

“**Administrative Expenses**” means the costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer CFD No. 1-S as determined by the City.

“**Annual Cost(s)**” means for each Fiscal Year, the total of 1) the estimated cost of Services as determined by the City; 2) Administrative Expenses, and 3) any amounts needed to cure actual or projected delinquencies in Special Taxes for the current or previous Fiscal Year.

“**Annual Tax Escalation Factor**” means an increase in the Maximum Special Tax Rate each year following the Base Year in an amount not to exceed 2% annually.

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

“**Assessor's 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 designating parcel(s) by Assessor’s Parcel Number(s).

“**Assessor's Parcel Number**” means the number assigned to an Assessor’s Parcel by the County for purposes of identification.

**“Base Year”** means Fiscal Year ending June 30, 2006.

**“CFD No. 1-S”** means the City of Perris Community Facilities District No. 1-S (South Perris Public Services).

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Annual Costs and for levying and collecting the Special Taxes.

**“Council”** means the City Council of the City of Perris which acts for CFD No. 1-S under the Act.

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

**“Developed Property”** means for each Fiscal Year, commencing with Fiscal Year 2006-2007, each Assessor’s Parcel, for which a building permit for new construction was issued prior to May 1 of the previous Fiscal Year.

**“Exempt Property”** means an Assessor’s Parcel that is not classified as Taxable Property. Exempt Property is not subject to the Special Tax.

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

**“Land Use Class”** means any of the classes listed in Table 1 under Section 3 below.

**“Maximum Annual Special Tax”** means the greatest amount of Special Tax, determined in accordance with Section 3 below, which may be levied in any Fiscal Year on any Assessor’s Parcel.

**“Multi-Family Unit”** means all Developed Property for which building permits have been issued for attached residential units.

**“Non-Residential Property”** means all Developed Property for which a building permit(s) was issued for a non-residential use.

**“Public Property”** means any property within the boundaries of CFD No. 1-S, the ownership of which is transferred to a public agency of CFD No. 1-S, and is used for rights-of-way or any other purpose and is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency where the public agency has officially agreed to accept the offer of dedication; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

“**Services**” means services, including 1) police protection services, 2) fire protection services and 3) park maintenance services that are in addition to those services that were provided within the boundaries of CFD 1-S at the time of formation of CFD 1-S.

“**Single-Family Unit**” means all Developed Property for which a building permit has been issued for single family detached residential development. Single Family Unit also includes mobile homes within a mobile home park or on other property.

“**Special Tax**” means any tax levied within CFD No. 1-S pursuant to the Act and this rate and method of apportionment of Special Tax.

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

“**Taxable Property**” means all of the Assessor's Parcels within the boundaries of CFD 1-S that are classified as Residential Property or Non-Residential Property.

**2. Land Use Classification**

Each Fiscal Year, each Assessor’s Parcel within the boundaries of CFD No. 1-S shall be classified as Taxable Property, Public Property or Exempt Property. Each Assessor’s Parcel of Taxable Property shall be classified as Residential Property or Non-Residential Property. Each Assessor’s Parcel of Residential Property shall be further classified as either a Single-Family Unit or the number of Multi-Family Units located on such Assessor’s Parcel.

**3. Maximum Special Tax Rates**

**Table 1  
Base Year  
Maximum Special Tax Rates**

<b>Land Use Class</b>	<b>Description</b>	<b>Maximum Special Tax</b>	<b>Special Tax Levy Basis</b>
1	Residential Property Single-Family Unit	\$313.00	per Unit
2	Residential Property Multi-Family Unit	\$156.50	per Unit
3	Non-Residential Property	\$1,252.00	per Acre

Escalation of Maximum Special Tax

Each Fiscal Year following the Base Year, the Maximum Special Tax Rate shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this rate and method of apportionment.

### Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each Land Use Class as determined by reference to the site plan approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

#### **4. Method of Apportionment**

For each Fiscal Year the Council shall determine the Annual Costs and levy the Special Tax, until the amount of Special Taxes equals the Annual Costs. The Special Tax shall be levied each Fiscal Year as follows:

First: Calculate the available Special Tax revenues by taxing each Assessor's Parcel of Taxable Property at 100% of its Maximum Special Tax. If revenues are greater than the Annual Costs, then reduce the Special Tax proportionately against all Assessor's Parcels until the tax levy is set at an amount sufficient to cover the Annual Costs.

Second: Levy on each Assessor's Parcel of Taxable Property the amount calculated above. No Special Tax shall be levied on Exempt Property.

The City shall make every effort to correctly assign the number of taxable units and calculate the Special Tax for each Assessor's Parcel. It shall be the burden of the landowner to correct any errors in the determination of the Assessor's Parcels subject to the tax and their Special Tax assignments.

#### **5. Collection of Special Taxes**

Collection of the Special Tax shall be by the County in the same manner as *ad valorem* property taxes and the Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as *ad valorem* taxes; provided, however, that the Council may provide other means of collecting the Special Tax if necessary to meet its financial obligations, including direct billings to the property owners.

#### **6. Administrative Changes and Appeals**

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than twelve months after first having paid the first installment of the Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred; the CFD Administrator may amend the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any by the CFD Administrator, the landowner believes such error still exists, such person may file a written notice with the City Manager or designee of the City appealing the amount

of the Special Tax levied on such Assessor's Parcel. Upon the receipt of such notice, the City Manager or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. The City Manager or designee thereof shall interpret this Rate and Method of Apportionment and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Manager or designee shall be final and binding as to all persons.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD No. 1-S.

**7. Term of Special Tax**

The Special Tax shall be levied annually in perpetuity, unless terminated earlier by the Council.