

CITY OF YUBA CITY
STAFF REPORT

Date: September 15, 2020
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presented by: Diana Langley, Interim City Manager

Summary

Subject: Annexation of Property to Community Facilities District (CFD No. 2017-1) to fund Municipal Services

Recommendation:

- A. Adopt a Resolution stating intent to annex certain territory into CFD 2017-1, setting a time and date for the public hearing thereon, and adopting a boundary map showing territory proposed to be annexed to CFD 2017-01.
- B. Hold a Public Hearing for the annexation of Tentative Parcel Map No. 17-02 into CFD 2017-1.
- C. Adopt a Resolution authorizing Annexation No. 1 of territory to CFD 2017-1, authorizing the levy of a special tax, and submitting the levy of tax to the qualified electors.
- D. Adopt a Resolution making certain findings, declaring and certifying the results of an election, and adding property to CFD 2017-1.

Fiscal Impact: The annexed properties would initially contribute \$467.10 annually per single family residential unit to the CFD.

Purpose:

To ensure new residential development pays for its impact on City services through a services Community Facilities District.

Background:

On September 5, 2017, Council adopted Resolution 17-065 authorizing the formation of Community Facilities District 2017-1 (CFD 2017-1) and levying a special tax within the district. This district was established with five specific development projects identified as possible annexations, as well as any other subsequent developments being able to annex. To date, only the Valencia Estates project has moved forward to development and annexed.

On September 19, 2017, Council adopted Resolution 17-071 approving Tentative Parcel Map No. TM 17-02 located on the east side of Stabler Lane between Butte Vista Lane and Parc East Drive. Condition of Approval No. 41 states that prior to recordation of the map, the development shall pay for operations and/or maintenance for police, fire, parks, drainage, and ongoing street maintenance costs. This condition may be satisfied through participation in a Mello Roos Community Facilities

District, by payment of cash in an amount agreed to by the City, by another secure funding mechanism acceptable to the City, or by some combination of those mechanisms.

Analysis:

The developer of Tentative Parcel Map No. TM 17-02 has approached the City with a request to annex into CFD 2017-1 as soon as possible in order to record the map. The developer has also signed a petition and waiver requesting the annexation and waiving certain time periods related to the annexation proceedings and the elections. These waivers are wider than those specifically authorized under the Act in order to speed up the annexation process.

Government Code Sections 53339-53339.9 govern annexations to CFD's. The standard procedure is to approve a Resolution of Intent to annex, then hold a public hearing within 30 to 60 days, and finally hold an election within 90 to 180 days. Government Code Section 53328.1 offers an alternate, streamlined process for annexing property into a CFD through unanimous approval of the parcel owner(s). While CFD 2017-1 did not specifically incorporate Government Code Section 53328.1 by reference, the intent was clearly to allow future development properties to annex as means of meeting requirements to contribute a fair share of impacts to services.

The developer is agreeable to waiving the standard time periods outlined for waiting to hold the public hearing and election and is requesting that Council approve a Resolution of Intent to annex, hold the public hearing, and conduct the election all in the same meeting. Since the developer owns all of the property to be annexed, there is little risk associated with challenging this waiver. A petition and waiver will be presented at the meeting.

Public notification of the proposed annexation follows the standard agenda item noticing procedures instead of CFD formation law. Since the developer is waiving these noticing requirements and residents and/or owners within the current CFD 2017-1 (Valencia Estates) are already subject to the tax, this action will have no effect on them.

Fiscal Impact:

The Hearing Report for CFD 2017-1 initially established a maximum levy of \$425 annually per single family residential unit with an escalation factor equal to the percentage escalation of the City's combined Police and Fire Department budgets, up to a maximum escalation of 4 percent. The current levy in CFD 2017-1 is \$467.10 annually per single family residential unit, which will be subject to future escalation in accordance with the rate and method of apportionment of the special tax for CFD 2017-1. A total of 4 residential parcels are contained in Tentative Parcel Map No. TM 17-02 resulting in a total current annual levy of \$1,868.40.

The developer is responsible for covering the costs of annexing to the CFD.

Alternatives:

- A. Do not authorize annexation into CFD 2017-1 and direct staff on other acceptable means of assuring this development contributes it fair share of impacts to services.
- B. Authorize annexation into CFD 2017-1, but do not approve the request of waivers for the public hearing or election time frames.

Recommendation:

- A. Adopt a resolution stating intent to annex certain territory into CFD 2017-1, setting a time and date for the public hearing thereon, and adopting a boundary map showing territory proposed to be annexed to CFD 2017-01.

- B. Hold a public hearing for the annexation of Tentative Parcel Map No. 17-02 into CFD 2017-1.
- C. Adopt a resolution authorizing Annexation No. 1 of territory to CFD 2017-1, authorizing the levy of a special tax, and submitting the levy of tax to the qualified electors.
- D. Adopt a resolution making certain findings, declaring and certifying the results of an election, and adding property to CFD 2017-1.

Attachments:

- 1. Resolution of Intention, Public Hearing, and Boundary Map.
 - a. Boundary Map
 - b. Rate and Method of Apportionment
- 2. Resolution authorizing Annexation, Levy of Special Tax, and Submitting Levy of Tax.
 - a. Rate and Method of Apportionment
 - b. Form of Ballot
- 3. Resolution Declaring Results and Adding Property.
 - a. Certificate of Election Official
 - b. Rate and Method of Apportionment
 - c. Properties Annexed

Prepared by:

Submitted by:

/s/ Kevin Bradford

Kevin Bradford
Deputy Public Works Director – Engineering

/s/ Diana Langley

Diana Langley
Interim City Manager

Reviewed by:

Department Head

DL

Finance

SM

City Attorney

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
STATING ITS INTENTION TO ANNEX CERTAIN TERRITORY INTO CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT 2017-1 (MUNICIPAL SERVICES), SETTING A TIME
AND DATE FOR THE PUBLIC HEARING THEREON AND ADOPTING BOUNDARY MAP
SHOWING TERRITORY PROPOSED TO BE ANNEXED TO COMMUNITY FACILITIES
DISTRICT 2017-1**

WHEREAS, the City Council of the City of Yuba City, California, (hereinafter the “City Council”), at this time desires to authorize the annexation of territory to City of Yuba City Community Facilities District No. 2017-1 (“CFD No. 2017-1”) 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 ; and

WHEREAS, CFD No. 2017-1 was formed to finance police protection services, fire protection and suppression services, storm protection services, park maintenance and other public services in addition to those provided in or required for the territory within CFD No. 2017-1 and will not be replacing services already available; and

WHEREAS, CFD No. 2017-1 was formed pursuant to Resolution No.17-065 adopted on September 5, 2017, and an election was held on September 5, 2017 authorizing the levy of special taxes within CFD No. 2017-1 on September 5, 2017, wherein all the landowners within CFD 2017-1 voted in favor of a proposition related thereto; and

WHEREAS, a petition and waiver (collectively, the “Petition”) requesting the institution of proceedings for annexation to CFD No. 2017-1 signed by all of the landowners within the proposed territory to be annexed (the “Property”), which Property is more fully described in this Resolution as the territory to be annexed, has been received, filed with and accepted by the City Clerk of the City of Yuba City; and

WHEREAS, the Property is proposed to be annexed to CFD No. 2017-1 and such territory shall be known and designated as “City of Yuba City Community Facilities District No. 2017-1 (Municipal Services)”, Annexation No. 1 (“Annexation No. 1”); and

WHEREAS, this City Council, as legislative body of the CFD No. 2017-1, now desires to proceed to adopt this Resolution of Intention to annex the territory of Annexation No. 1 into CFD No. 2017-1, to specify the services to be financed from the proceeds of the levy of special taxes within Annexation No. 1, to set and specify the special taxes that would be levied within the territory to finance such services, and to set a time and place for a public hearing relating to the annexation of Annexation No. 1 into CFD No. 2017-1; and

WHEREAS, a map showing the boundaries of Annexation No. 1 proposed to be annexed has been submitted, and a copy of the map shall be kept on file with the transcript of these proceedings.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as follows:

1. The City Council hereby specifically finds that all of the facts set forth in the recitals above of this Resolution are true and correct and incorporated herein.

2. The City Council authorizes, resolves and confirms the following:
- a. The proceedings for annexing Annexation No. 1 into CFD No. 2017-1 are authorized and initiated by this legislative body pursuant to the authorization of the Act and pursuant to the Petition.
 - b. The public convenience and necessity require that Annexation No. 1 be added to CFD No. 2017-1 in order to pay the costs and expenses for the authorized additional services generated from new development within the City and this City Council declares its intention to annex Annexation No. 1 to CFD No. 2017-1.
 - c. A general description of the boundaries of Annexation No. 1 proposed to be annexed is as follows:

All that territory proposed to be annexed to CFD No. 2017-1, as such property is shown on a map designated as "Proposed Boundaries of Annexation Map No. 1 of Community Facilities District No. 2017-1 (Municipal Services), City of Yuba City, Sutter County, California," attached hereto as Exhibit "A" and hereby incorporated by reference.
 - d. The name of the district is "City of Yuba City Community Facilities District No. 2017-1 (Municipal Services)" and the designation for the territory to be annexed shall be "City of Yuba City Community Facilities District No. 2017-1 (Municipal Services), Annexation No. 1."
 - e. The services that are authorized to be financed by CFD No. 2017-1 shall include the City services authorized under Section 53313 of the Act, which include the following services, to the extent those services are in addition to those provided in the territory of CFD No. 2017-1 before CFD No. 2017-1 was created (or, with as to territory which may be annexed to CFD No. 2017-1, before such territory was annexed to CFD No. 2017-1):

PUBLIC SERVICES

- (a) Police protection services;
- (b) Fire protection and suppression services;
- (c) maintenance of parks, parkways, streets, roads, and open space;
- (d) flood and storm protection services, including but not limited to the maintenance of storm drainage systems and sandstorm protection systems;
- (e) Services with respect to the removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment, subject to the limitations contained in Section 53313 of the Act;
- (f) Maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the local agency or by another local agency pursuant to an agreement entered into under Section 53316.2; and
- (g) costs incurred by the City and or County in formation of the district, annexation and annual contract administration.

In accordance with Section 53313 of the Act, the additional services may not supplant services available within the territory when the district was created or annexed.

The same types of services which are authorized to be financed by CFD No. 2017-1 are the types of services to be provided in Annexation No. 1. If, and to the extent possible, such services shall be provided in common within CFD No. 2017-1 and Annexation No. 1.

- f. It is the further intention of this City Council that, except where funds are otherwise available to CFD No. 2017-1 and Annexation No. 1 to pay for services, a special tax sufficient to pay for such services to be provided in CFD No. 2017-1 and Annexation No. 1, and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in Annexation No. 1, will be levied annually within the boundaries of such Annexation No. 1. For further particulars as to the rate and method of apportionment of the proposed special tax, reference is made to the attached and incorporated Exhibit "B" (the "Rate and Method of Apportionment"), which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within proposed Annexation No. 1 to clearly estimate the maximum amount that such person will have to pay.

The special tax proposed to be levied within Annexation No. 1 for services to be supplied within Annexation No. 1 shall be equal to the special tax levied to pay for the same services in CFD No. 2017-1, to the extent that the actual cost of providing the services in Annexation No. 1 is equivalent to the cost of providing those services in CFD No. 2017-1. Notwithstanding the foregoing, the special tax may not be levied at a rate that is higher than the maximum special tax authorized to be levied pursuant to the Rate and Method of Apportionment.

The special taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City as described in Resolution No. 17-065 adopted on September 5, 2017 with respect to CFD No. 2017.

The maximum special tax rate in CFD No. 2017-1 shall not be increased as a result of the annexation of Annexation No. 1 to CFD No. 2017-1.

- g. Notice is given that on the 15th day of September, 2020, at the hour of 6:00 p.m., in the regular meeting place of the City Council being the Civic Center Council Chambers located at 1201 Civic Center Boulevard, Yuba City, CA 95993, a public hearing will be held where this City Council will consider the authorization for the annexation of Annexation No. 1 to CFD No. 2017-1, the proposed method and apportionment of the special tax to be levied with Annexation No. 1 and all other matters as set forth in this Resolution of Intention. Pursuant to the Petition, all of the landowners

within Annexation No. 1 have waived all applicable notices of the hearing and any time-period for the hearing.

As presented at the meeting, all of the landowners and/or registered voters within CFD No. 2017-1 have been notified of the hearing by the posting of the agenda, or waiver and that the hearing will occur on the same date as this Resolution. The City Council hereby confirms and approves of such time period, waivers and notifications.

At such public hearing, the testimony of all interested persons for or against the annexation of Annexation No. 1 or the levying of special taxes within Annexation No. 1 will be heard.

At such public hearing, protests against the proposed annexation of Annexation No. 1, the levy of special taxes within Annexation No. 1 or any other proposals contained in this resolution may be made orally by any interested person. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the public hearing. Written protests may be withdrawn at any time before the conclusion of the public hearing.

- h. If (a) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within CFD No. 2017-1, (b) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within Annexation No. 1, (c) owners of one-half or more of the area of land in the territory included in CFD 2017-1, or (d) owners of one-half or more of the area of land in the territory included in Annexation No. 1, file written protests against the proposed annexation of Annexation No. 1 to CFD No. 2017-1 and the proposed special taxes and such protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of the decision by the City Council on the annexation of Annexation No. 1 to CFD 2017-1.
- i. If, following the public hearing described herein, the Council determines to annex Annexation No. 1 to the CFD No. 2017-1 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 with respect to Annexation No. 1. 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 Annexation No. 1 for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters residing within Annexation No. 1, with each voter having one (1) vote. Otherwise, the vote shall be a mail-ballot election or hand-delivered 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.

3. The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, the city itself, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in annexing the Property to the CFD No. 2017-1. CFD No. 2017-1 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.
4. This resolution shall be effective upon adoption.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 15th day of September 2020, by the following vote:

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

ATTEST:

Patricia Buckland, City Clerk

APPROVED AS TO FORM:

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

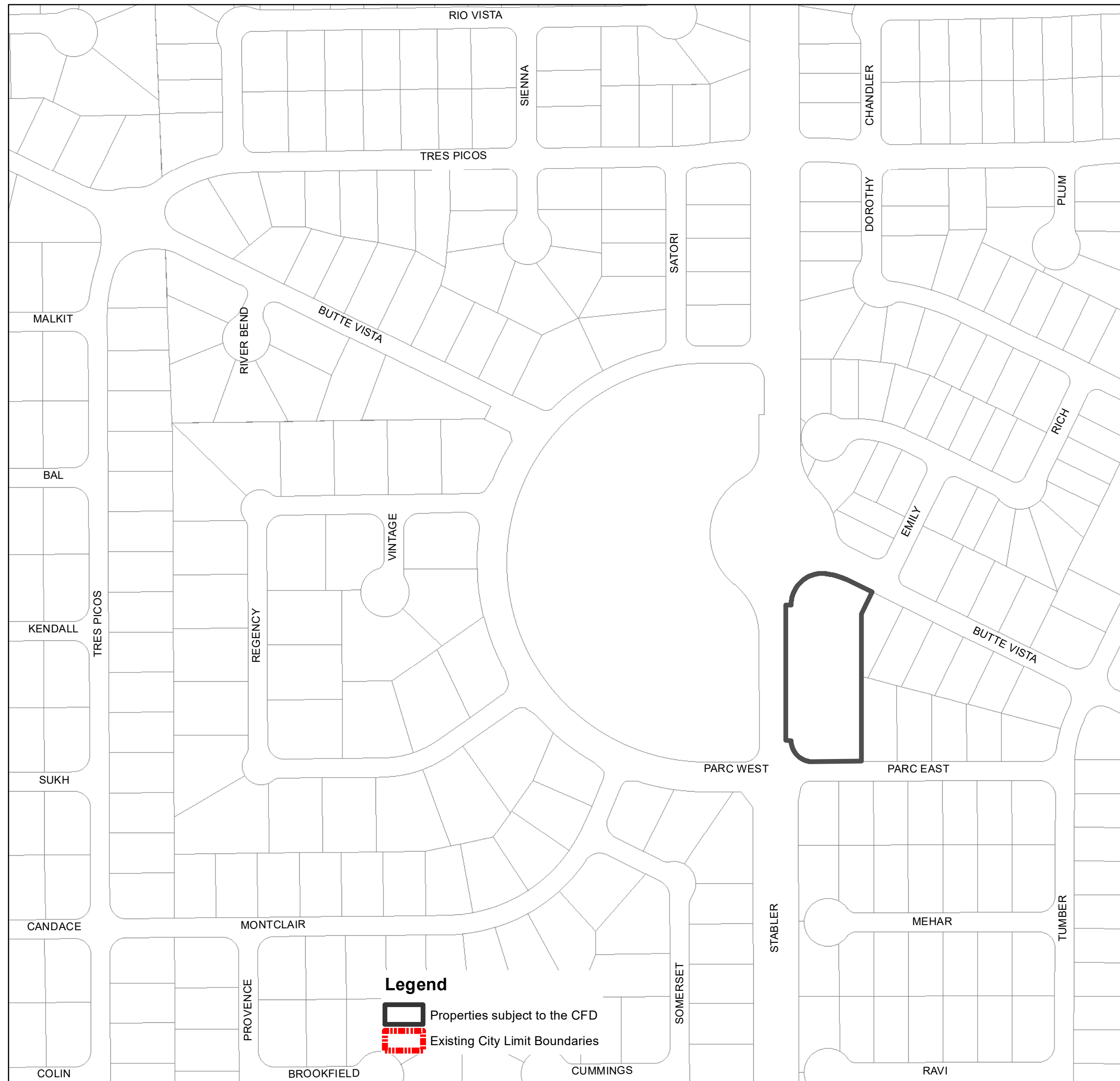
- Exhibit A, BOUNDARY MAP, [See Attached]
- Exhibit B, RATE AND METHOD OF APPORTIONMENT, [See Attached]

EXHIBIT A

PROPOSED BOUNDARY MAP

CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT No. 2017-1 (MUNICIPAL SERVICES)
ANNEXATION No. 1

CITY OF YUBA CITY
SUTTER COUNTY, STATE OF CALIFORNIA



Filed in the Office of the Sutter County Recorder this _____ day of _____, 2020.

Patricia Buckland, City Clerk
City of Yuba City
Sutter County
State of California

I hereby certify that the within map showing proposed boundaries of Annexation No. 1 in the City of Yuba City, Sutter County, State of California, was approved by the City Council of the City of Yuba City at a regular meeting thereof, held on the _____ day of _____, 2020 by its Resolution No. _____.

Patricia Buckland, City Clerk
City of Yuba City
Sutter County
State of California

Filed this _____ day of _____, 2020, at the hour of _____ o'clock ____ m. in Book _____ of Maps of assessment and Community Facilities Districts at Page _____, in the Office of the County Recorder in Sutter County, State of California.

Donna Johnston
County Recorder
Sutter County
State of California

Deputy

Document No. _____
Fee: _____

EXHIBIT B

EXHIBIT B
CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2017-1
(MUNICIPAL SERVICES)
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2017-1 (Municipal Services) [herein "CFD No. 2017-1"] shall be levied and collected according to the tax liability determined by the City Council, acting in its capacity as the legislative body of CFD No. 2017-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2017-1, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acreage" or "Acre" means the land area making up 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 subdivision map or other parcel map recorded at the County Recorder's Office.

"Administrative Expenses" means the costs incurred by the City to determine, levy and collect the Special Tax, including salaries of City employees and 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 the CFD as determined by the Finance Director.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Annual Tax Escalation Factor" means an annual increase in the Maximum Special Tax following the Base Year in an amount not to exceed four percent (4%). The Annual Tax Escalation Factor shall be based on the budgeted escalation of the City of Yuba City's combined Police and Fire Departments from the previous fiscal year.

"Assessor's Parcel" or "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 County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by CFD No. 2017-1 as set forth in the documents adopted by the City Council when the CFD was formed.

"Base Year" means Fiscal Year 2016-17.

"City" means the City of Yuba City.

"City Council" means the City Council of the City of Yuba City, acting as the legislative body of CFD No. 2017-1.

"County" means Sutter County, California.

"Developed Residential Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a use permit or building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year.

"Finance Director" means the Finance Director for the City or his or her designee or successor.

"Fiscal Year" means the period starting on July 1 and ending on the following June 30.

"Maximum Special Tax" means the maximum Special Tax determined in accordance with Section C below that can be levied on Taxable Property in any Fiscal Year.

"Multi-Family Property" means, in any Fiscal Year, all units in CFD No. 2017-1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

"Public Property" means any property within the boundaries of CFD No. 2017-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Residential Unit(s)" means an individual lot of land for which a building permit could be issued to construct one or more residential dwelling units.

"Residential Property" means all Assessor's Parcels of Taxable Property for which a map has been recorded designating individual Residential Units.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property within the boundaries of CFD No. 2017-1 for which a map has been recorded designating the Assessor's Parcel as a lot for which a building permit could be issued and the Assessor's Parcel cannot be classified as a Residential Property.

"Special Tax" means any tax levied to pay for Authorized Services and Administrative Expenses.

"Single Family Property" means buildings containing one dwelling unit located on a single lot that are individually owned, including attached or detached residences (i.e., townhome unit and/or condominium units).

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 2017-1 designated as Developed Residential Property.

"Undeveloped Residential Property" means all Parcels of Residential Property within the boundaries of CFD No. 2017-1 that are not Developed Residential Property, as determined by the Administrator.

"Unit" means an individual single family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure.

B. CATEGORIZING PARCELS FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels within CFD No. 2017-1, and each parcel shall be classified as Developed Residential Property, Non-Residential Property, Public Property, or Undeveloped Residential Property, and shall be subject to the levy of annual Special Taxes determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

All Taxable Property within the CFD shall be subject to a Maximum Special Tax that will be levied each Fiscal Year to pay for Authorized Services. As discussed above, the Administrator shall rely first on the Land Use Designation for a Parcel to determine the appropriate Maximum Special Tax in **Table 1**, below, but, in the absence of an assigned Land Use Designation, the Administrator shall refer to the Zoning Designation and land use to be built on the Parcel. The following Maximum Special Tax rates apply to all Parcels of Developed Property within CFD No. 2017-1:

Each Residential Unit is subject to the Maximum Special Tax shown in **Table 1**, below. Non-Residential Property, Undeveloped Property, and Public Property is not subject to the Maximum Special Tax.

Table 1

Property Land Use	2016/17 Maximum Special Tax Amount *
Single Family Property	\$425 per Single Family Residential Unit
Multi-Family Property	\$310 per Multi-Family Residential Unit
Undeveloped Residential Property	\$0 per Assessor's Parcel

* Beginning July 1, 2018 and each July 1 thereafter, all of the Maximum Special Taxes shown in **Table 1** above shall be adjusted by applying the Annual Tax Escalation Factor.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall levy the Maximum Special Tax on each Parcel of Developed Property in CFD No. 2017-1. The Special Tax for CFD No. 2017-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 2017-1 may (under the authority of Government Code Section 53340) in any particular case bill the taxes directly to the property owner off the County tax roll, and the Special Tax will be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, Non-Residential Property, or Undeveloped Residential Property.

F. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2017-1 from time to time. The property to be annexed will be assigned to the appropriate Maximum Special Tax rate for the Tract or Tracts when annexed, as pursuant to California Government Code section 53339 et seq.

In certain cases, it may be determined that a potential property to be annexed may require a higher cost to provide City services than other areas of the City (e.g., if it possesses a large quantity of City-owned infrastructure that requires maintenance). As each annexation is proposed, the City may elect to prepare an analysis to determine the annual cost for providing Services, and may incorporate unique zones with varying Maximum Special Tax rates.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

H. Term

The Special Tax shall be collected in perpetuity.

ATTACHMENT 2

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE ANNEXATION NO. 1 OF TERRITORY TO COMMUNITY FACILITIES
DISTRICT 2017-1 (MUNICIPAL SERVICES), AUTHORIZING THE LEVY OF A SPECIAL TAX
AND SUBMITTING THE LEVY OF TAX TO THE QUALIFIED ELECTORS**

WHEREAS, the City Council of the City of Yuba City, California, on September 15, 2020, adopted Resolution No. _____ (hereafter referred to as the "Resolution of Intention") stating its intention to annex territory to City of Yuba City Community Facilities District No. 2017-1 ("CFD No. 2017-1"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"); and

WHEREAS, a copy of the Resolution of Intention, which states the authorized services to be provided and financed by CFD No. 2017-1, and a description and map of the proposed boundaries of the territory to be annexed to CFD No. 2017-1 ("Annexation No. 1"), is on file with the City Clerk and the provisions thereof are fully incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on the 15th of September, 2020, this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed annexation of territory in Annexation No. 1 to CFD No. 2017-1 and the special taxes to be levied therein; and

WHEREAS, at said hearing all interested persons desiring to be heard on all matters pertaining to the annexation of territory to CFD No. 2017-1 and the levy of said special taxes within the area proposed to be annexed were heard and a full and fair hearing was held; and

WHEREAS, prior to the time fixed for said hearing or at the hearing, written protests had not been filed against the proposed annexation of territory to CFD No. 2017-1 by (i) 50% or more of the registered voters, or six registered voters, whichever is more, residing in CFD No. 2017-1, or (ii) 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be annexed to CFD No. 2017-1 as Annexation No. 1, or (iii) owners of one-half or more of the area of land in the territory within CFD 2017-1 and not exempt from special tax, or (iv), owners of one-half or more of the area of land in the territory proposed to be annexed to CFD No. 2017-1 as Annexation No. 1 and not exempt from the special tax; and

WHEREAS, it has now been determined that written protests have not been received by registered voters and/or property owners representing more than one-half (1/2) of the area of land proposed to be annexed to the CFD No. 2017-1 or within the original CFD No. 2017-1; and

WHEREAS, a boundary map for Annexation No. 1 to CFD No. 2017-1 is on file with the City Clerk and shall be filed with the County Recorder of the County of Sutter, which map shows the territory to be annexed in these proceedings;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as follows:

1. **Recitals.** The City Council hereby specifically finds that all of the facts set forth in the recitals above of this Resolution are true and correct and incorporated herein.

2. **Prior Proceedings.** All prior proceedings taken by this Council with respect to CFD No. 2017-1 and the proposed annexation of territory thereto have been duly considered and are hereby determined to be valid and in conformity with the Act.
3. **Boundaries.** The description and map of the boundaries of the territory to be annexed as Annexation No. 1 to CFD No. 2017-1, attached as Exhibit A to the Resolution of Intention and on file with the City Clerk, are hereby finally approved, are incorporated herein by reference, and shall be included within the boundaries of CFD No. 2017-1, and said territory is hereby annexed to CFD No. 2017-1, subject to voter approval of the levy of the special taxes therein as hereinafter provided.
4. **Services.** The services CFD No. 2017-1, including Annexation No. 1, is authorized to finance are follows:

PUBLIC SERVICES

The services that are authorized to be financed by CFD No. 2017-1 shall include the City services authorized under Section 53313 of the Act, which include the following services, to the extent those services are in addition to those provided in the territory of CFD No. 2017-1 before CFD No. 2017-1 was created (or, with as to territory which may be annexed to CFD No. 2017-1, before such territory was annexed to CFD No. 2017-1):

PUBLIC SERVICES

- (a) Police protection services;
- (b) Fire protection and suppression services, ambulance and paramedic services;
- (c) maintenance of parks, parkways, streets, roads, and open space;
- (d) flood and storm protection services, including but not limited to the maintenance of storm drainage systems and sandstorm protection systems;
- (e) Services with respect to the removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment, subject to the limitations contained in Section 53313 of the Act;
- (f) Maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the local agency or by another local agency pursuant to an agreement entered into under Section 53316.2; and
- (g) costs incurred by the City and or County in formation of the district, annexation and annual contract administration.

In accordance with Section 53313 of the Act, the additional services may not supplant services available within the territory when the district was created or annexed.

The same types of services which are authorized to be financed by CFD No. 2017-1 are the types of services to be provided in Annexation No. 1. If, and to

the extent possible, such services shall be provided in common within CFD No. 2017-1 and Annexation No. 1.

5. **Special Taxes.** It is the intention of this City Council that, except where funds are otherwise available, a special tax sufficient to pay for said services to be provided in CFD No. 2017-1 and the territory proposed to be annexed as part of Annexation No. 1, secured by recordation of a continuing lien against all non-exempt real property in Annexation No. 1, will be levied annually within the boundaries of Annexation No. 1 from and after the annexation of such property to CFD No. 2017-1. The special taxes shall be those as originally authorized through the formation of CFD No. 2017-1 and adopted by resolution or ordinance of this legislative body, and no changes or modifications are proposed in the special taxes from those as originally set forth and made applicable to CFD No. 2017-1.

For particulars as to the rate and method of apportionment of the proposed special tax (the "RMA"), reference is made to the attached and incorporated Exhibit "A," which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within Annexation No. 1 to clearly estimate the maximum annual amount that said person will have to pay on said special tax.

6. **No Majority Protest.** Written protests against the annexation of the territory in Annexation No. 1 to CFD No. 2017-1, or against the furnishing of specified services or the levying of a specified special tax within CFD No. 2017-1, have not been filed by fifty percent (50%) or more of the registered voters or six (6) registered voters, whichever is greater, residing within the boundaries of the existing District, nor by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the boundaries of the proposed annexation, nor by owners representing one-half (1/2) or more of the area of land proposed to be annexed to CFD No. 2017-1. The proposed special tax to be levied within Annexation No. 1 has not been precluded by majority protest.
7. **Election.** The provisions of the Resolution of Intention of the City, each as heretofore adopted by this Council, are by this reference incorporated herein as if fully set forth herein. In addition, the Council resolves as follows:
 - (a) Pursuant to the provisions of the Act, a measure of the levy of the special tax within Annexation No. 1 shall be submitted to the voters within Annexation No. 1 at an election called therefor as hereinafter provided. This Council hereby finds that twelve (12) or more persons have not been registered to vote within Annexation No. 1 for each of the 90 days preceding the close of the hearing heretofore conducted and concluded by this Council for the purposes of these annexation proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that for purposes of these proceedings the qualified electors are the landowners within Annexation No. 1 and that the vote shall be by said landowners, each having one vote for each acre or portion thereof such landowner owns in Annexation No. 1.

- (b) Pursuant to Section 53326 of the Act, the election shall be conducted by mail or hand-delivered ballot under applicable sections of the California Elections Code, commencing with Section 4000 of said code with respect to elections conducted by mail. Ballots may be delivered by mail or personal service. The Council hereby calls a special election to consider the measure described and incorporated in the form of ballot, attached as Exhibit "B," and by this reference incorporated herein, which election shall be held on September 15, 2020, (hereafter referred to as "Election Day"). The City Clerk shall act as the election official to conduct the election and provide each landowner in the territory to be annexed to CFD No. 2017-1, a ballot in the form of Exhibit "B", which form is hereby approved. The City Clerk shall accept the ballots of the qualified electors received prior to 6:00 p.m. on Election Day, whether received by mail or by personal delivery. The qualified electors may waive provisions related to the conduct of the election as permitted by the Act.
- (c) This Council hereby further finds that the provision of Section 53326 of the Act requiring a minimum of 90 days to elapse before said election is for the protection of voters, has been waived by the voters and the date for the election hereinabove specified is established accordingly.
- (d) The City Council hereby calls and schedules an election for September 15, 2020 at 6 p.m., on the measure of the annual levy of special taxes on taxable property within Annexation No. 1 to CFD No. 2017-1 to finance public services within the CFD No. 2017-1, and on the establishment of an appropriations limit for CFD No, 2017-1, including Annexation No. 1 to CFD No. 2017-1.
- (e) The Measure to be submitted to the voters of Annexation No. 1 at such special election shall be as follows:

BALLOT MEASURE

<p>Shall the Yuba City Community Facilities District No. 2017-1 (Municipal Services) ("CFD 2017-1"), subject to accountability measures required pursuant to Government Code Section 50075.1, levy a special tax on the Taxable Property throughout Annexation No. 1 to CFD No. 2017-1 pursuant to the rate and method of apportionment thereof set forth in Exhibit B of Resolution No. 20-___ of the City of Yuba City (the "Resolution"), for the purposes of financing a portion of the costs of certain specified services as set forth in the Resolution, together with incidental expenses by and through the proceeds of the special tax, all as specified in its resolutions pertaining</p>	<p>MARK "YES" OR "NO" WITH AN "X":</p>
	<p>YES: <input type="checkbox"/></p> <p>NO: <input type="checkbox"/></p>

thereto; and shall CFD No. 2017-1 establish an Article XIII B appropriations limit equal to \$1,700,000 in accordance therewith?	
--	--

8. **Procedures.** The procedures to be followed in conducting the special election shall be as follows:

- a. Pursuant to Section 53326 of the California Government Code, ballots for the special election shall be distributed to the qualified electors by the City Clerk by mail or by personal service/hand delivery.
- b. Pursuant to applicable sections of the California Elections Code governing the conduct of mail ballot elections of cities, and in particular Division 4 (commencing with Section 4000) of that Code with respect to election conducted by mail, the City Clerk, or designated official, shall mail or deliver to each qualified elector an official ballot in the appropriate form, and shall also mail or deliver to all such qualified electors a ballot pamphlet, instructions to voter, and a return identification envelope addressed to the City Clerk for the return of voted official ballots. Certain requirements may be waived by the qualified elector.
- c. The official ballot to be mailed or delivered by the City Clerk to each landowner-voter shall have printed or typed thereon the name of the landowner-voter and the number of votes to be voted by the landowner-voter.
- d. The return identification envelope mailed or delivered by the City Clerk (or as part of the envelope and/or voter certification) to each landowner-voter shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address of the voter, (vi) the date of signing and place of execution of the declaration, and (vii) a notice that the envelope contains an official ballot and is to be opened only by the City Clerk.
- e. The information to voter form to be delivered by the City Clerk to the landowner-voter shall inform them that the official ballot shall be returned to the City Clerk properly voted as provided thereon and with the certification appended thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted by 6:00 p.m. on the 15th day of September, 2020; provided that if all qualified electors have voted, the election shall be closed with the concurrence of the City Clerk.

- f. Upon receipt of the return identification envelope, which are returned prior to the voting deadline on the date of the election of 6:00 p.m. on September 15, 2020, the City Clerk shall canvass the votes cast in the election, and shall file a statement with the City Council as to the results of such canvass and the election on each proposition set forth in the official ballot.

8. **Certification.** The City Clerk shall certify to the adoption of this resolution.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 15th day of September 2020, by the following vote:

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

ATTEST:

Patricia Buckland, City Clerk

APPROVED AS TO FORM:

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

- Exhibit A, Rate & Method of Apportionment
- Exhibit B, Form of Ballot

EXHIBIT A

EXHIBIT B
CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2017-1
(MUNICIPAL SERVICES)
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2017-1 (Municipal Services) [herein "CFD No. 2017-1"] shall be levied and collected according to the tax liability determined by the City Council, acting in its capacity as the legislative body of CFD No. 2017-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2017-1, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acreage" or "Acre" means the land area making up 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 subdivision map or other parcel map recorded at the County Recorder's Office.

"Administrative Expenses" means the costs incurred by the City to determine, levy and collect the Special Tax, including salaries of City employees and 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 the CFD as determined by the Finance Director.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Annual Tax Escalation Factor" means an annual increase in the Maximum Special Tax following the Base Year in an amount not to exceed four percent (4%). The Annual Tax Escalation Factor shall be based on the budgeted escalation of the City of Yuba City's combined Police and Fire Departments from the previous fiscal year.

"Assessor's Parcel" or "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 County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by CFD No. 2017-1 as set forth in the documents adopted by the City Council when the CFD was formed.

"Base Year" means Fiscal Year 2016-17.

"City" means the City of Yuba City.

"City Council" means the City Council of the City of Yuba City, acting as the legislative body of CFD No. 2017-1.

"County" means Sutter County, California.

"Developed Residential Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a use permit or building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year.

"Finance Director" means the Finance Director for the City or his or her designee or successor.

"Fiscal Year" means the period starting on July 1 and ending on the following June 30.

"Maximum Special Tax" means the maximum Special Tax determined in accordance with Section C below that can be levied on Taxable Property in any Fiscal Year.

"Multi-Family Property" means, in any Fiscal Year, all units in CFD No. 2017-1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

"Public Property" means any property within the boundaries of CFD No. 2017-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Residential Unit(s)" means an individual lot of land for which a building permit could be issued to construct one or more residential dwelling units.

"Residential Property" means all Assessor's Parcels of Taxable Property for which a map has been recorded designating individual Residential Units.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property within the boundaries of CFD No. 2017-1 for which a map has been recorded designating the Assessor's Parcel as a lot for which a building permit could be issued and the Assessor's Parcel cannot be classified as a Residential Property.

"Special Tax" means any tax levied to pay for Authorized Services and Administrative Expenses.

"Single Family Property" means buildings containing one dwelling unit located on a single lot that are individually owned, including attached or detached residences (i.e., townhome unit and/or condominium units).

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 2017-1 designated as Developed Residential Property.

"Undeveloped Residential Property" means all Parcels of Residential Property within the boundaries of CFD No. 2017-1 that are not Developed Residential Property, as determined by the Administrator.

"Unit" means an individual single family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure.

B. CATEGORIZING PARCELS FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels within CFD No. 2017-1, and each parcel shall be classified as Developed Residential Property, Non-Residential Property, Public Property, or Undeveloped Residential Property, and shall be subject to the levy of annual Special Taxes determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

All Taxable Property within the CFD shall be subject to a Maximum Special Tax that will be levied each Fiscal Year to pay for Authorized Services. As discussed above, the Administrator shall rely first on the Land Use Designation for a Parcel to determine the appropriate Maximum Special Tax in **Table 1**, below, but, in the absence of an assigned Land Use Designation, the Administrator shall refer to the Zoning Designation and land use to be built on the Parcel. The following Maximum Special Tax rates apply to all Parcels of Developed Property within CFD No. 2017-1:

Each Residential Unit is subject to the Maximum Special Tax shown in **Table 1**, below. Non-Residential Property, Undeveloped Property, and Public Property is not subject to the Maximum Special Tax.

Table 1

Property Land Use	2016/17 Maximum Special Tax Amount *
Single Family Property	\$425 per Single Family Residential Unit
Multi-Family Property	\$310 per Multi-Family Residential Unit
Undeveloped Residential Property	\$0 per Assessor's Parcel

* Beginning July 1, 2018 and each July 1 thereafter, all of the Maximum Special Taxes shown in **Table 1** above shall be adjusted by applying the Annual Tax Escalation Factor.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall levy the Maximum Special Tax on each Parcel of Developed Property in CFD No. 2017-1. The Special Tax for CFD No. 2017-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 2017-1 may (under the authority of Government Code Section 53340) in any particular case bill the taxes directly to the property owner off the County tax roll, and the Special Tax will be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, Non-Residential Property, or Undeveloped Residential Property.

F. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2017-1 from time to time. The property to be annexed will be assigned to the appropriate Maximum Special Tax rate for the Tract or Tracts when annexed, as pursuant to California Government Code section 53339 et seq.

In certain cases, it may be determined that a potential property to be annexed may require a higher cost to provide City services than other areas of the City (e.g., if it possesses a large quantity of City-owned infrastructure that requires maintenance). As each annexation is proposed, the City may elect to prepare an analysis to determine the annual cost for providing Services, and may incorporate unique zones with varying Maximum Special Tax rates.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

H. Term

The Special Tax shall be collected in perpetuity.

EXHIBIT B

Form of Ballot

YUBA CITY COMMUNITY FACILITIES NO. 2017-1 (MUNICIPAL SERVICES)
CITY OF YUBA CITY, COUNTY OF SUTTER, STATE OF CALIFORNIA

SPECIAL ELECTION BALLOT, ANNEXATION NO. 1:

This ballot is for the use of the authorized representative of the following owner of the land within Annexation No. 1 to the Yuba City Community Facilities District No. 2017-01 (Municipal Services), City of Yuba City, County of Sutter, State of California ("the Community Facilities District"):

Name of Landowner	Number of Acres Owned	Total Votes

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and resolutions of the City Council (the "Council") of the City of Yuba City (the "City"), the above-named Landowner is entitled to cast the number of votes shown above under the heading 'Total Votes,' representing the total votes for the property owned by the landowner.

In order to be counted, this ballot must be executed and certified below and be returned to the City Clerk, by mail or in person, to be received by the City Clerk prior to 6:00 p.m. on September 15, 2020 at the Office of the City Clerk, 1201 Civic Center Boulevard, Yuba City, California 95993.

Mailing by that time will not be sufficient. This ballot must be received by the time stated in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT.
All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk and obtain another.

BALLOT MEASURE

<p>Shall the Yuba City Community Facilities District No. 2017-1 (Municipal Services) ("CFD 2017-1"), subject to accountability measures required pursuant to Government Code Section 50075.1, levy a special tax on the Taxable Property throughout Annexation No. 1 to CFD No. 2017-1 pursuant to the rate and method of apportionment thereof set forth in Exhibit B of Resolution No. 20-___ of the City of Yuba City (the "Resolution"), for</p>	<p>MARK "YES" OR "NO" WITH AN "X":</p> <p>YES: <input data-bbox="1040 1682 1118 1745" type="checkbox"/></p> <p>NO: <input data-bbox="1040 1812 1118 1875" type="checkbox"/></p>
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<p>the purposes of financing a portion of the costs of certain specified services as set forth in the Resolution, together with incidental expenses by and through the proceeds of the special tax, all as specified in its resolutions pertaining thereto; and shall CFD No. 2017-1 establish an Article XIII B appropriations limit equal to \$1,700,000 in accordance therewith?</p>	
--	--

The undersigned is the above-named Landowner or the authorized representative of the above-named Landowner and is a person legally authorized and entitled to cast this ballot on behalf of the above-named Landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 2020.

Signature

Print Name

ATTACHMENT 3

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
MAKING CERTAIN FINDINGS, DECLARING AND CERTIFYING THE RESULTS OF AN
ELECTION AND ADDING PROPERTY AS CITY OF YUBA CITY COMMUNITY FACILITIES
DISTRICT NO. 2017-1 (MUNICIPAL SERVICES), ANNEXATION NO. 1**

WHEREAS, the City Council of the City of Yuba City (the “City Council”), has previously formed a Community Facilities District pursuant to the provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, said Article 3.5 thereof. The existing Community Facilities District being designated as City of Yuba City Community Facilities District No. 2017-1 (Municipal Services) (hereafter referred to as CFD No. 2017-1); and,

WHEREAS, the City Council initiated proceedings to annex certain territory to Community Facilities District No. 2017-1, Annexation No. 1 (hereafter referred to as “Annexation No. 1”); and

WHEREAS, the City Council, following a public hearing on the annexation and special taxes, called and duly held an election in the area of Annexation No. 1 pursuant to Resolution No. _____ adopted on September 15, 2020 (“Resolution Calling Election”) for the purpose of presenting to the qualified electors within the certain territory proposed to be annexed to the CFD No. 2017-1 known and designated as “Annexation No. 1”, a measure for the levy of a special tax and the establishment of an appropriations limit (“Measure”) in accordance with the method set forth in Exhibit “B” to Resolution No. _____ adopted on Sep 15, 2020 (the “Resolution of Intention”); and

WHEREAS, twelve (12) or more registered voters have not resided within the territory of Annexation No. 1 for each of the ninety (90) days preceding September 15, 2020, therefore, pursuant to the Act the qualified electors of Annexation No. 1 shall be the “landowners” of Annexation No. 1 as such term is defined in Government Code Section 53317(f) and each such landowner who is the owner of record, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that she or he owns within; and

WHEREAS, the landowners of record within the territory of Annexation No. 1 as of the close of the public hearing held on September 15, 2020 unanimously consented to a waiver of the time limits for setting the election and a waiver of any written analysis, arguments or rebuttals as set forth in California Government Code sections 53326 and 53327. Such waivers are set forth in a written petition executed by the landowners which are on file with the City Clerk as election official (the “Election Official”) concurring therein; and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”), the special election was held on September 15, 2020; and

WHEREAS, the City Clerk of the City of Yuba City has caused ballots to be distributed to the qualified electors of Annexation No. 1, has received and canvassed such ballots and made a report to the City Council regarding the results of such canvas, a copy of which is attached as Exhibit A hereto and incorporated herein by this reference; and

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

WHEREAS, a map showing the territory to be annexed and designated as Annexation No. 1 (hereafter referred to as the "Annexation Map"), a copy of which is attached as Exhibit B hereto and incorporated herein by this reference, and a list of Properties to be annexed and landowners, a copy of which is attached as Exhibit C hereto and incorporated herein by this reference, has been submitted to the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as follows:

1. The City Council hereby specifically finds that all of the facts set forth in the recitals above of this Resolution are true and correct and incorporated herein.
2. The canvass of the votes cast in the Property to be annexed to the District at the special election held in the territory of Annexation No. 1 on September 15, 2020, as shown in the Certificate of the Election Official, is hereby approved and confirmed.
3. The Measure presented to the qualified electors of the Annexation No. 1 for receipt by the Election Official on September 15, 2020, has received a unanimous vote of the qualified electors voting at said election, and the Measure has carried. The City Council is hereby authorized to take the necessary steps to levy the special tax authorized by the Measure in the area of Annexation No. 1.
4. The City Clerk is hereby directed to enter the title of this Resolution on the minutes of the legislative body and to indicate the official declaration of the result of such special election.
5. The City Council hereby determines that the Property is added to and part of the existing District with full legal effect, and hereby authorizes the levy of a special tax at the Rate and Method of Apportionment set forth in Exhibit B to the Resolution of Intention. The whole of the territory within Annexation No. 1 shall be subject to the special tax consistent with the provisions of the Act, an Ordinance of the City Council to be adopted (or which has been adopted) levying the special tax (the "Ordinance") and this Resolution. The terms of the Ordinance shall be applicable to Annexation No. 1.
6. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council shall abide by the accountability measures pertaining to the levy by the CFD No. 2017-1 of the Special Tax:
 - A. Such Special Tax with respect to the CFD No. 2017-1 shall be levied for the specific purposes set forth in the Measure.
 - B. The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth in the Measure referred to therein.

- C. The District has established an account or accounts into which the proceeds of such Special Tax shall be deposited.
 - D. The City Manager or Finance Director, or his or her designee, acting for and on behalf of the District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.
- 7. The boundaries and parcels of territory within Annexation No. 1 and on which special taxes will be levied in order to pay for the costs and expenses of authorized public services are shown on the Annexation Map as submitted to and hereby approved by this City Council for recordation.
 - 8. The City Council does hereby determine and declare that Annexation No. 1 is now added to and becomes a part of CFD No. 2017-1. The City Council, acting as the legislative body of CFD No. 2017-1, is hereby empowered to levy the authorized special tax within Annexation No. 1.
 - 9. Immediately upon adoption of this Resolution, an Amendment to the Notice of Special Tax Lien (Notice of Annexation) shall be recorded in the Office of the County Recorder no later than fifteen (15) days after the date of adoption of this Resolution or as soon thereafter as possible if not within the time period due to the COVID-19 pandemic.
 - 10. The City Clerk shall certify to the adoption of this resolution.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 15th day of September 2020, by the following vote:

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

ATTEST:

Patricia Buckland, City Clerk

APPROVED AS TO FORM:

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

- Exhibit A, Certificate of Election Official
- Exhibit B, Rate and Method of Apportionment
- Exhibit C, Properties Annexed

EXHIBIT A

Certificate of Election Official

**CITY OF YUBA CITY, CALIFORNIA
COMMUNITY FACILITIES DISTRICT NO. 2017-1
(MUNICIPAL SERVICES)
ANNEXATION NO. 1**

**CERTIFICATE OF THE ELECTION OFFICIAL
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS**

STATE OF CALIFORNIA)
COUNTY OF SUTTER) §
CITY OF YUBA CITY)

I, _____, City Clerk in my capacity as Elections Official in the City of Yuba City, California, in its capacity as the legislative body of the City of Yuba City Community Facilities District No. 2017-1 (Municipal Services) (the "District"), DO HEREBY CERTIFY, that pursuant to the provisions of Section 53325.4 of the Government Code and Division 15, commencing with Section 15000 of the Elections Code of the State of California, I did canvass the return of the votes cast at the Special Tax Election on September 15, 2020, held in Annexation No. 1 to the District.

I FURTHER CERTIFY that the Statement of All Votes Cast, to which this certificate is attached, shows the total number of ballots case within the Property to be annexed to the District for the Proposition, and the totals of the respective columns and the totals as shown for the Proposition are full, true and correct.

WITNESS my hand and Official Seal this 15TH day of September, 2020.

CITY OF YUBA CITY COMMUNITY FACILITIES
DISTRICT NO. 2017-1 (MUNICIPAL SERVICES)

By: _____
City Clerk

**CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2017-1
(MUNICIPAL SERVICES)
ANNEXATION NO. 1**

**STATEMENT OF ALL VOTES CAST
SPECIAL TAX ELECTION
SEPTEMBER 15, 2020**

	Qualified Landowner <u>Votes</u>	Votes Cast	<u>YES</u>	<u>NO</u>
City of Yuba City, Community Facilities District No. 2017-1 (Municipal Services) of Annexation No. 1, Special Election, September 15, 3030				

MEASURE SUBMITTED TO VOTE OF VOTERS:

<p>Shall the Yuba City Community Facilities District No. 2017-1 (Municipal Services) ("CFD 2017-1"), subject to accountability measures required pursuant to Government Code Section 50075.1, levy a special tax on the Taxable Property throughout Annexation No. 1 to CFD No. 2017-1 pursuant to the rate and method of apportionment thereof set forth in Exhibit B of Resolution No. 20-___ of the City of Yuba City (the "Resolution"), for the purposes of financing a portion of the costs of certain specified services as set forth in the Resolution, together with incidental expenses by and through the proceeds of the special tax, all as specified in its resolutions pertaining thereto; and shall CFD No. 2017-1 establish an Article XIII B appropriations limit equal to \$1,700,000 in accordance therewith?</p>	<p>MARK "YES" OR "NO" WITH AN "X":</p> <p>YES: <input style="width: 40px; height: 20px; margin-left: 10px;" type="checkbox"/></p> <p>NO: <input style="width: 40px; height: 20px; margin-left: 10px;" type="checkbox"/></p>
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EXHIBIT B

EXHIBIT B
CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2017-1
(MUNICIPAL SERVICES)
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2017-1 (Municipal Services) [herein "CFD No. 2017-1"] shall be levied and collected according to the tax liability determined by the City Council, acting in its capacity as the legislative body of CFD No. 2017-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2017-1, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acreage" or "Acre" means the land area making up 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 subdivision map or other parcel map recorded at the County Recorder's Office.

"Administrative Expenses" means the costs incurred by the City to determine, levy and collect the Special Tax, including salaries of City employees and 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 the CFD as determined by the Finance Director.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Annual Tax Escalation Factor" means an annual increase in the Maximum Special Tax following the Base Year in an amount not to exceed four percent (4%). The Annual Tax Escalation Factor shall be based on the budgeted escalation of the City of Yuba City's combined Police and Fire Departments from the previous fiscal year.

"Assessor's Parcel" or "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 County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by CFD No. 2017-1 as set forth in the documents adopted by the City Council when the CFD was formed.

"Base Year" means Fiscal Year 2016-17.

"City" means the City of Yuba City.

"City Council" means the City Council of the City of Yuba City, acting as the legislative body of CFD No. 2017-1.

"County" means Sutter County, California.

"Developed Residential Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a use permit or building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year.

"Finance Director" means the Finance Director for the City or his or her designee or successor.

"Fiscal Year" means the period starting on July 1 and ending on the following June 30.

"Maximum Special Tax" means the maximum Special Tax determined in accordance with Section C below that can be levied on Taxable Property in any Fiscal Year.

"Multi-Family Property" means, in any Fiscal Year, all units in CFD No. 2017-1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

"Public Property" means any property within the boundaries of CFD No. 2017-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Residential Unit(s)" means an individual lot of land for which a building permit could be issued to construct one or more residential dwelling units.

"Residential Property" means all Assessor's Parcels of Taxable Property for which a map has been recorded designating individual Residential Units.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property within the boundaries of CFD No. 2017-1 for which a map has been recorded designating the Assessor's Parcel as a lot for which a building permit could be issued and the Assessor's Parcel cannot be classified as a Residential Property.

"Special Tax" means any tax levied to pay for Authorized Services and Administrative Expenses.

"Single Family Property" means buildings containing one dwelling unit located on a single lot that are individually owned, including attached or detached residences (i.e., townhome unit and/or condominium units).

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 2017-1 designated as Developed Residential Property.

"Undeveloped Residential Property" means all Parcels of Residential Property within the boundaries of CFD No. 2017-1 that are not Developed Residential Property, as determined by the Administrator.

"Unit" means an individual single family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure.

B. CATEGORIZING PARCELS FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels within CFD No. 2017-1, and each parcel shall be classified as Developed Residential Property, Non-Residential Property, Public Property, or Undeveloped Residential Property, and shall be subject to the levy of annual Special Taxes determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

All Taxable Property within the CFD shall be subject to a Maximum Special Tax that will be levied each Fiscal Year to pay for Authorized Services. As discussed above, the Administrator shall rely first on the Land Use Designation for a Parcel to determine the appropriate Maximum Special Tax in **Table 1**, below, but, in the absence of an assigned Land Use Designation, the Administrator shall refer to the Zoning Designation and land use to be built on the Parcel. The following Maximum Special Tax rates apply to all Parcels of Developed Property within CFD No. 2017-1:

Each Residential Unit is subject to the Maximum Special Tax shown in **Table 1**, below. Non-Residential Property, Undeveloped Property, and Public Property is not subject to the Maximum Special Tax.

Table 1

Property Land Use	2016/17 Maximum Special Tax Amount *
Single Family Property	\$425 per Single Family Residential Unit
Multi-Family Property	\$310 per Multi-Family Residential Unit
Undeveloped Residential Property	\$0 per Assessor's Parcel

* Beginning July 1, 2018 and each July 1 thereafter, all of the Maximum Special Taxes shown in **Table 1** above shall be adjusted by applying the Annual Tax Escalation Factor.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall levy the Maximum Special Tax on each Parcel of Developed Property in CFD No. 2017-1. The Special Tax for CFD No. 2017-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 2017-1 may (under the authority of Government Code Section 53340) in any particular case bill the taxes directly to the property owner off the County tax roll, and the Special Tax will be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, Non-Residential Property, or Undeveloped Residential Property.

F. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2017-1 from time to time. The property to be annexed will be assigned to the appropriate Maximum Special Tax rate for the Tract or Tracts when annexed, as pursuant to California Government Code section 53339 et seq.

In certain cases, it may be determined that a potential property to be annexed may require a higher cost to provide City services than other areas of the City (e.g., if it possesses a large quantity of City-owned infrastructure that requires maintenance). As each annexation is proposed, the City may elect to prepare an analysis to determine the annual cost for providing Services, and may incorporate unique zones with varying Maximum Special Tax rates.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

H. Term

The Special Tax shall be collected in perpetuity.

EXHIBIT C

Properties Annexed

Assessor Parcel Nos.

59-030-018