

RESOLUTION NO. 16-139

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
DECLARING ITS INTENTION TO MODIFY THE RATE AND METHOD OF
APPORTIONMENT OF SPECIAL TAX AND ANNEX TERRITORY (ANNEXATION
NO. 05-051) FOR AND INTO COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES DISTRICT) AND TO AUTHORIZE THE LEVY OF SPECIAL
TAXES THEREIN

WHEREAS, this City Council has conducted proceedings to establish Community Facilities District No. 2005-1 (Public Services District) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code; and

WHEREAS, the City Council has adopted its Resolution No. 16-138 (the "Resolution of Consideration") by which it has scheduled a public hearing to give consideration to amending the Rate and Method of Apportionment of Special Tax (the "Rate and Method of Apportionment") for the Community Facilities District; and

WHEREAS, such proposed amendments to the Rate and Method of Apportionment do not constitute an increase in the amount of the annual special tax on any property within the Community Facilities District; and

WHEREAS, under the Act, this Council, as the legislative body for the CFD, is empowered with the authority to annex territory to the CFD, and now desires to undertake proceedings to annex territory to the CFD.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF EL PASO DE ROBLES, HEREBY RESOLVES:

Section 1. This Council hereby finds and determines that public convenience and necessity require that territory be added to the CFD.

Section 2. The territory included in the existing CFD is as shown on the map thereof filed in the office of the County Recorder, County of San Luis Obispo, State of California, to which map reference is hereby made, as well as the maps which have been filed with the San Luis Obispo County Recorder's Office for all subsequent annexations.

The territory now proposed to be annexed to the CFD is as shown on the Annexation Map No. 05-051 to the CFD, on file with the City Clerk, a copy of which is attached hereto as Exhibit "A" and made a part hereof, the boundaries of which territory are hereby preliminarily approved. The City Clerk is hereby directed to cause the recordation of said Annexation Map No. 05-051 to the CFD, showing the territory to be annexed, in the Office of the County Recorder of the County of San Luis Obispo within fifteen days of the date of adoption of this resolution.

Section 4. The types of public services financed by the CFD and pursuant to the Act consist of those services (the "Services") described in Exhibit A to Resolution No. 05-063 adopted by the Council on the 5th day of April 2005 (the "Resolution of Formation"). It is presently intended that the Services will be shared, without preference or priority, by the existing territory in the CFD and the territory proposed to be annexed to the CFD.

Section 5. Except to the extent that funds are otherwise available to the CFD to pay for the Services and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Services, a special tax sufficient to pay the costs thereof is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes. The proposed rate and method of apportionment of the special tax among the parcels of real property within the CFD, as now in existence and following the annexation proposed herein, and in sufficient detail to allow each landowner within the territory proposed to be annexed to the CFD to estimate the maximum amount such owner will have to pay, is described in Exhibit B, which is hereby incorporated by this reference.

Section 6. Notice is given that on December 6, 2016, at 6:30 p.m., in the regular meeting place of this Council, being the City Council Chambers, located at 1000 Spring Street, Paso Robles, California, the Council, as legislative body for the CFD, will conduct a public hearing on the annexation of territory to the CFD and consider and finally determine whether the public interest, convenience and necessity require said annexation of territory to the CFD and the levy of said special tax therein.

Section 7. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation in the area of the CFD. The publication of said notice shall be completed at least seven days before the date herein set for said hearing. Said notice shall be substantially in the form specified in Section 53339.4 of the Act. The City Clerk shall also cause a copy of the Resolution of Annexation, or a notice thereof, to be mailed to each landowner (and to each registered voter, if any) within the territory proposed to be annexed, which resolution or notice shall be mailed at least fifteen days before the date of said hearing.

PASSED AND ADOPTED this 1st day of November 2016, by the following vote:

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.
CITY OF EL PASO DE ROBLES)

I, Kristen L. Buxkemper, City Clerk of the City of El Paso De Robles, County of San Luis Obispo, State of California do hereby certify that the foregoing Resolution No. 16-139 was regularly adopted by the City Council of the City of El Paso De Robles at a regular meeting of said council held on the 1st day of November 2016, by the following vote:

AYES: Strong, Gregory, Hamon, Reed, Martin
NOES:
ABSENT:
ABSTAIN:



Steven W. Martin, Mayor

ATTEST:



Kristen L. Buxkemper, Deputy City Clerk

Exhibit A
 City of El Paso De Robles
 Community Facilities District No. 2005-1 (Public Services District)
 Boundary Map-Annexation No. 05-051

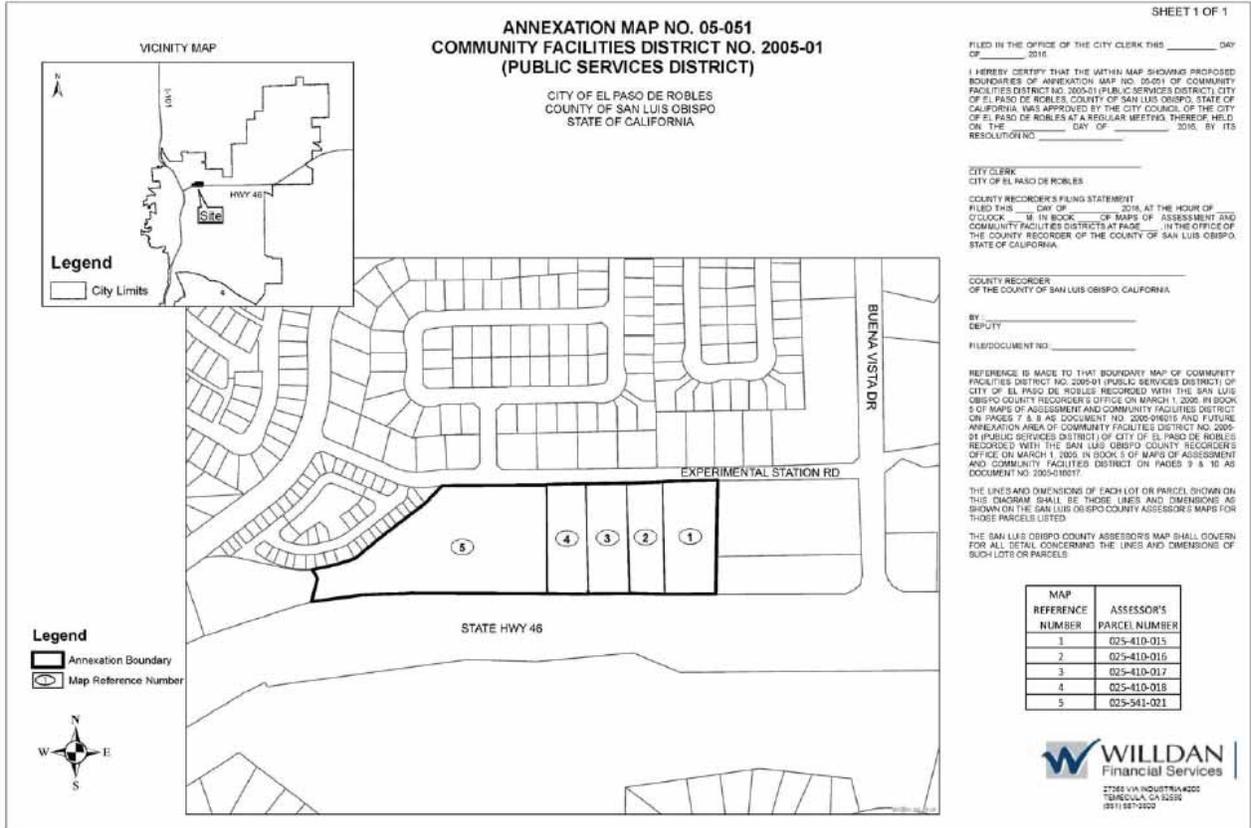


Exhibit B

Amended and Restated
Rate and Method of Apportionment of Special Tax
City of El Paso De Robles
Community Facilities District No. 2005-1
(Public Services District)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in City of El Paso De Robles Community Facilities District No. 2005-1 (Public Services District) ("CFD No. 2005-1") and collected each Fiscal Year commencing in Fiscal Year 2005-06, in an amount determined by the Council through the application of the appropriate Special Tax for "Developed Property," as described below. All of the real property in CFD No. 2005-1, unless exempted by law or by the provisions hereof, 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:

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2005-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs to the City, CFD No. 2005-1 or any designee thereof of complying with City, CFD No. 2005-1 or obligated persons disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2005-1 or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2005-1 for any other administrative purposes of CFD No. 2005-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"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 of the County designating parcels by Assessor's Parcel number.

"Attached Residential" means an Assessor's Parcel within the CFD for which a Building Permit has been issued for purposes of constructing a residential structure or structures sharing common walls consisting of two or more Dwelling Units, including, but not limited to duplexes, triplexes, and apartment units, as of March 1st preceding the Fiscal Year in which the Special Tax is being levied.

"Blended Consumer Price Index" means the sum of the Los Angeles Urban Consumer Price Index

and the San Francisco Urban Consumer Price Index, divided by two.

"CFD Administrator" means an official of the City, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2005-1" means City of El Paso De Robles Community Facilities District No. 2005-1 (Public Services District).

"City" means the City of El Paso De Robles.

"Council" means the City Council of the City, acting as the legislative body of CFD No. 2005-1.

"County" means the County of San Luis Obispo.

"Detached Residential" means an Assessor's Parcel within the CFD for which a Building Permit has been issued for purposes of constructing a residential structure consisting of one single-family detached Dwelling Unit, including Mobile Homes, as of March 1st preceding the Fiscal Year in which the Special Tax is being levied.

"Developed Property" means, for each Fiscal Year, all Assessor's Parcels of Residential Property for which a building permit has been issued on or after April 1, 2005.

"Dwelling Unit" means a building or portion thereof designed for and occupied in whole or part as a residence or sleeping place, either permanently or temporarily, by one family and its guests, with sanitary facilities and one kitchen provided within the unit. Boarding or lodging houses, dormitories, and hotels shall not be defined as Dwelling Units unless the land use permit specifies a residential use.

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

"Land Use Class" means any of the classes listed in Table 1 and Table 2.

"Los Angeles Urban Consumer Price Index" means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles - Anaheim - Riverside Area, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the City of Los Angeles.

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

"Non-Residential Property" means, for each Fiscal Year, all Assessor's Parcels of Developed Property for which a building permit was issued on or after April 1, 2005 for a non-residential use.

"Property Owner Association Property" means, for each Fiscal Year, any Assessor's Parcel within the boundaries of CFD No. 2005-1 that is owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association.

"Proportionately" means that the ratio of the actual annual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property.

"Public Property" means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2005-1 that is owned by or irrevocably offered for dedication to the federal government, the State, the City or any other public agency; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2005-1 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

"Residential Property" means, for each Fiscal Year, all Assessor's Parcels of Developed Property for which a building permit was issued on or after March 1, 2005 for purposes of constructing one or more residential Dwelling Units.

"San Francisco Urban Consumer Price Index" means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco – Oakland - San Jose Area, measured as of the month of December in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the San Francisco – Oakland - San Jose Area.

"Services" means those services authorized to be financed by CFD No. 2005-1 pursuant to Section 53313 and Section 53313.5 of the Act. CFD No. 2005-1 shall finance Services only to the extent that they are in addition to those provided in the territory of CFD No. 2005-1 before the CFD was created and such Services may not supplant services already available within CFD No. 2005-1 when the CFD was created.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount to be collected in any Fiscal Year for CFD No. 2005-1 to pay for certain costs as required to meet the needs of the CFD in that Fiscal Year. The costs to be covered shall be the direct costs for (i) Services, and (ii) Administrative Expenses; less (iii) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Special Tax Requirement include debt service payments for debt financings by CFD No. 2005-1.

"State" means the State of California.

"Undeveloped Property" means, for each Fiscal Year, all property not classified as Developed Property, Non-Residential Property, Property Owner Association Property, or Public Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor's Parcels, as applicable within CFD No. 2005-1, shall be classified as Developed Property, Non-Residential Property, Undeveloped Property, Property Owner Association Property, or Public Property. However, only Developed Property shall be subject to annual Special

Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below. All Developed Property shall be assigned to Land Use Class 1.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax 2005-06 to 2016-17

The Maximum Special Tax for Fiscal Year 2005-06 for Developed Property is shown below in Table 1. Such Special Taxes shall only be levied for new structures on Residential Property. However, under no circumstances shall a Special Tax be levied on additions to existing Dwelling Units.

TABLE 1
Maximum Special Taxes for Developed Property
Established for Fiscal Year 2005-06
Community Facilities District No. 2005-1

Land Use Class	Land Use	Maximum Special Tax Per Dwelling Unit
1	Residential Property	\$657.00 per Dwelling Unit

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 that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel.

Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2006, the Maximum Special Tax for Developed Property shall be increased annually by the greater of the change in the Blended Consumer Price Index during the twelve months prior to December of the previous Fiscal Year, or two percent (2%).

The table below represents the Maximum Special Tax for each fiscal year from 2005-06 to 2016-17.

Fiscal Year	Maximum Special Tax Per Dwelling Unit	Escalation Applied	Greater of:	
			2.00%	Blended CPI
2005-06	\$657.00			
2006-07	\$678.06	3.21%	2.00%	3.21%
2007-08	\$700.87	3.36%	2.00%	3.36%
2008-09	\$728.94	4.00%	2.00%	4.00%
2009-10	\$743.51	2.00%	2.00%	0.07%
2010-11	\$760.04	2.22%	2.00%	2.22%
2011-12	\$775.24	2.00%	2.00%	1.43%
2012-13	\$795.02	2.55%	2.00%	2.55%
2013-14	\$811.54	2.08%	2.00%	2.08%

Fiscal Year	Maximum Special Tax Per Dwelling Unit	Escalation Applied	Greater of:	
			2.00%	Blended CPI
2014-15	\$827.77	2.00%	2.00%	1.86%
2015-16	\$844.32	2.00%	2.00%	1.70%
2016-17	\$866.31	2.60%	2.00%	2.60%

b. Maximum Special Tax 2017-18 and subsequent fiscal years

The Maximum Special Tax for Fiscal Year 2017-18 and subsequent fiscal years for Developed Property is shown below in Table 2. Such Special Taxes shall only be levied for new structures on Detached Residential and Attached Residential property. However, under no circumstances shall a Special Tax be levied on additions to existing Dwelling Units.

TABLE 2
Maximum Special Taxes for Developed Property
Established For Fiscal Year 2017-18
Community Facilities District No. 2005-1

Land Use Class	Land Use	Maximum Special Tax Per Dwelling Unit ¹
1	Detached Residential	\$883.63 per Dwelling Unit
2	Attached Residential	\$122.00 per Dwelling Unit

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 that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel.

Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2017, the Maximum Special Tax for Developed Property shall be increased annually by the greater of the change in the Blended Consumer Price Index during the twelve months prior to December of the previous Fiscal Year, or two percent (2%).

2. Undeveloped Property

No Special Taxes shall be levied on Undeveloped Property.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Council shall levy the annual Special Tax Proportionately for each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax, until the amount of Special Taxes equals the Special Tax Requirement.

¹ Subject to annual increases, as authorized herein.
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E. EXEMPTIONS

In addition to Undeveloped Property being exempt from annual Special Taxes, no Special Tax shall be levied on Non-Residential Property, Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Non-Residential Property, Public Property or Property Owner Association Property, such Assessor's Parcel shall, upon each reclassification, no longer be exempt from Special Taxes.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CFD Administrator's determination. The CFD Administrator may charge the appellant a reasonable fee for processing the appeal. Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2005-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

H. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Special Tax Requirement.