

CITY OF YUBA CITY
STAFF REPORT

Date: May 18, 2021
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation by: Diana Langley, Public Works Director

Summary

Subject: Formation of a Community Facilities District (CFD No. 2021-1) to fund Municipal Services and provide for future annexation by unanimous written consent of the electors

Recommendation:

- A. Adopt a Resolution adopting policies related to Community Facilities Districts for services.
- B. Adopt a Resolution declaring the intention to establish City of Yuba City Community Facilities District 2021-1 (Municipal Services), authorizing the levy of a special tax therein to finance certain services, and authorizing the annexation of future territory in the future annexation area to the district by unanimous written approval.

Fiscal Impact: This CFD will provide \$467.10 per single family and \$340.70 per multi-family residential unit annually, with provisions for inflation factor increases.

Purpose:

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

Background:

The City's Growth Policies require new development to "pay its own way." Accordingly, the City's standard Development Agreement and Condition of Approvals for new residential development includes a requirement that the development 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 CFD, 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.

The Mello-Roos Community Facilities Act of 1982 (Act) provides a mechanism for cities to form CFDs in order to finance the provision of certain municipal services. The types of services that may be provided by a CFD are as follows:

- Police
- Fire
- Recreation and Library

- Maintenance of parks, parkways and open space
- Maintenance of Roadways
- Flood and storm protection services
- Hazardous substance removal or remediation

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 is intended to mitigate the impact of new residential development on City services. Recently, several residential developments have annexed into CFD 2017-1. Staff is recommending that the City start a new CFD to clarify the procedural requirements for joining the CFD so that future property owners can join easily by unanimous written consent. Future properties will only be annexed to one of the districts, CFD No. 2021-1.

Analysis:

The Act governs the formation of community facilities districts. The Act requires that prior to forming a district, the City Council adopt policies related to the types of items it will finance and whether it will use bonded indebtedness. Pursuant to Section 53312.7 of the Act, the policies must generally contain the following:

1. A statement of the priority that various kinds of public facilities and services shall have for financing through the use of CFDs.
2. A statement concerning the credit quality to be required of bond issues, including criteria to be used in evaluating the credit quality.
3. A statement concerning steps to be taken to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under this chapter.
4. A statement concerning criteria for evaluating the equity of tax allocation formulas, and concerning desirable and maximum amounts of special tax to be levied against any parcel pursuant to this chapter.
5. A statement of definitions, standards, and assumptions to be used in appraisals required by Section 53345.8.

The City's policies will only deal with services districts for now and discuss the above items to the extent they are related to services districts. Staff has prepared policies complying with the Act (Attachment 1) and recommends that Council adopt a Resolution adopting these policies.

Proceedings to form a CFD are generally initiated with a petition by a property owner to form the district or a determination by the City Council to start the district in a Resolution of Intention to form the District. This Resolution describes the boundaries of the District, the tax formula, the services the district will provide, and sets the time and place for a public hearing on the district. The public hearing for CFD 2021-1 is set for July 6, 2021. At the hearing, the City Council will hear and count all written protests and will make a determination on whether to form the CFD. Following the hearing, if it has received certain waivers from the property owners, it will hold the election related to the special taxes. Two thirds of the electors/property owners must vote affirmatively in order to adopt the tax.

At the same time the City is forming the CFD, the City is creating a future annexation area. The Resolution of Intention also describes this area and sets a public hearing for July 6, 2021. The area may be adopted if there is no majority written protest at the hearing. The future annexation

area will allow property owners in the future to annex to the district by unanimous written consent.

Alternatively, other properties could annex with a ballot proceeding and vote in the future to the extent they are not included in the future annexation area. Future annexations this way would take more time (around 45-90 days) than those with unanimous written consent.

In the Resolution, the City Council directs the preparation of the Report for the District to show the services to be provided in the District. The Report done in 2017 for CFD 2017-1 (which will likely be similar) showed the impact on services of the new developments to be included in the district.

Attachment 2 contains a Resolution of Intention to establish CFD 2021-1, to authorize a levy of a special tax therein, and to authorize the annexation of future territories that desire to annex by unanimous written approval. The proposed boundary of CFD 2021-1 will encompass the proposed Dunn Ranch Estates – Unit 1 Subdivision at the southeast corner of Royo Ranchero Drive and Monroe Drive. Future annexation areas will include numerous undeveloped residential parcels within the City's Sphere of Influence, as identified in Attachment 2, Exhibit B. It is anticipated that amendments will be made to the future annexation areas periodically as development progresses.

To finalize the formation of CFD 2021-1, staff will return to Council on July 6th, 2021 to hold a public hearing, call the election for Dunn Ranch Estates – Unit 1, open the ballots, declare the results, and adopt an ordinance. Future residential projects will then be able to annex into CFD 2021-1 at a single Council meeting by submitting a unanimous written consent, if desired.

Fiscal Impact:

The Hearing Report for CFD 2021-1 follows the same methodology used in the formation of CFD 2017-1, which 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 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. A total of 56 residential parcels are contained in Dunn Ranch Estates – Unit 1 resulting in a total current annual levy of \$26,157.60.

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

Alternatives:

- A. Do not authorize the formation of CFD 2021-1 and direct staff on other acceptable means of assuring this development contributes it fair share of impacts to services.
- B. Require staff to develop an alternative method of rate and apportionment for CFD 2021-1.

Recommendation:

- A. Adopt a Resolution adopting policies related to Community Facilities Districts for services.

B. Adopt a Resolution declaring the intention to establish City of Yuba City Community Facilities District 2021-1 (Municipal Services), authorizing the levy of a special tax therein to finance certain services, and authorizing the annexation of future territory in the future annexation area to the district by unanimous written approval.

Attachments:

1. Resolution adopting policies related to Community Facilities Districts for services
 - a) Exhibit A – Policies
2. Resolution declaring Intent, Authorizing Levy of Special Tax, and Authorizing Annexation by Unanimous Written Approval
 - a) Exhibit A – Boundary Map of CFD
 - b) Exhibit B – Boundary Map of Future Annexation Area
 - c) Exhibit C – List of Services
 - d) Exhibit D – Rate and Method of Apportionment
 - e) Exhibit E – Form of Unanimous Written Approval
3. Property Owner Petition
4. Fiscal Impact Report from 2017

Prepared by:

/s/ Kevin Bradford

Kevin Bradford
Deputy Public Works Director – Engineering

Submitted by:

/s/ Dave Vaughn

Dave Vaughn
City Manager

Reviewed by:

Department Head

Finance

City Attorney

DL

SM

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
ADOPTING POLICIES RELATED TO COMMUNITY FACILITIES DISTRICTS FOR SERVICES**

WHEREAS, the City has previously formed City of Yuba City Community Facilities District No. 2017-1 (Municipal Service); and

WHEREAS, the City desires adopt policies to provide for the funding of certain services pursuant to the Mello-Roos Community Facilities Act of 1982, commencing with Section 53311 of the Government Code of the State of California (the "Mello-Roos Act") as required by the Act ; and

WHEREAS, the City Council desires to adopt a form of policy entitled "City of Yuba City – Statement of Policies and Procedures for Services Community Facility Districts" ("Policies"), which is attached hereto as Exhibit A and by this reference incorporated herein; and

WHEREAS, the City Council does not intend to undertake any debt financing at this time and will update its policies should the need arise.

NOW, THEREFORE, the City Council of the City of Yuba City resolves as follows:

1. That the recitals set forth hereinabove are true and correct in all respects.
2. That the Policies in the form attached hereto as Exhibit A is hereby approved, which Addendum shall be part of the Policies.
3. That the City Manager and/or Finance Director of the City is hereby authorized and directed to implement the policies for and on behalf of the City.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 18th day of May, 2021.

AYES:

NOES:

ABSENT:

ATTEST:

Marc Boomgaarden, Mayor

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Exhibit "A" – Statement of Policies and Procedures for Services Community Facility Districts

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

I, Ciara Wakefield, Deputy City Clerk of the City of Yuba City, do hereby certify that the foregoing Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the City of Yuba City held on the 18th day of May, 2021.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:

AYES:
NOES:
ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Yuba City this 18th day of May, 2021.

CIARA WAKEFIELD, DEPUTY CITY CLERK

EXHIBIT "A"

CITY OF YUBA CITY

**STATEMENT OF GOALS AND POLICIES FOR THE USE OF
THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. DEFINITIONS.....	1
III. ELIGIBLE PUBLIC FACILITIES, SERVICES AND PRIORITIES	1
IV. CREDIT QUALITY REQUIRED OF BOND ISSUES	2
V. DISCLOSURE REQUIREMENTS	2
VI. EQUITY OF TAX ALLOCATION FORMULAS.....	3
VII. APPRAISALS.....	3
VIII. EXCEPTIONS TO THESE POLICIES.....	3

**STATEMENT OF GOALS AND POLICIES FOR THE USE
OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

I. INTRODUCTION

The City of Yuba City (the "City") has developed the following Goals and Policies for financing services as guidelines to assist concerned parties in following the City's approach to Community Facilities District financing. It is the City's goal to provide a mechanism to assist projects that may be required to mitigate the impact of their project on City services and hereby provide a funding mechanism. The City does not intend at this time to support bond financing or facilities financing under the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act") and therefore any items that apply to such financing shall not be provided for in this policy. These Goals and Policies are designed to comply with Section 53312.7 of the Government Code.

All City and any consultant costs incurred in evaluating applications requesting the establishment of a District (as defined below) or annexing to a District will be paid by the applicant(s) by advance deposit of funds or as otherwise agreed by the City. The City may charge certain expenses to the District in its discretion.

II. DEFINITIONS

"City" means the City of Yuba City.

"District" means a Community Facilities District formed under the Mello-Roos Community Facilities Act of 1982, as amended.

"Public Facilities" means improvements authorized to be constructed or acquired under the Mello-Roos Act including, but not limited to, fees for capital facilities imposed by public agencies as a condition to approval of the development encompassed by the district or as a condition to service the district.

"Services" means any services authorized to be financed or paid for pursuant to the Mello-Roos Act including but not limited to police and fire protection services and park maintenance services.

III. ELIGIBLE PUBLIC FACILITIES, SERVICES AND PRIORITIES

Districts will only finance Services. Districts will not finance Public Facilities except to the extent it is part of the Services.

The list of public services eligible to be financed may be some or all of the following:

- (a) Fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto;

- (b) Police and fire protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto and ambulance and paramedic services;
- (c) Park, parkways, streets and open space maintenance services, including all furnishings, equipment and supplies related thereto; and
- (d) flood and storm protection services; and
- (e) 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; and
- (f) such other services and related facilities permitted by the Mello-Roos Act which the City determines necessary to fund pursuant to a resolution.

The City shall determine and evaluate the priority of services and the eligibility to fund services on a district by district basis. All of the services are priority services to the extent they are needed to service a property.

Services funded by a landowner vote may be funded as provided in the Mello-Roos Act to the extent that they are in addition to those provided in the territory of the District before the District was created. The additional services shall not supplant services already available within that territory when the district was created.

IV. CREDIT QUALITY REQUIRED OF BOND ISSUES

N/A.

V. DISCLOSURE REQUIREMENTS

(1) Disclosure Requirement for Developers. The applicant will be required to demonstrate, to the satisfaction of the City, that there will be full disclosure of the Mello-Roos special taxes and any other special tax, assessment, overlapping special taxes or assessment of other districts, or other liens on individual parcels to existing and future property owners, and to prospective purchasers of property including interim purchasers and sales to merchant builders (Section 53341.5 of the Government Code). In addition to all requirements of law, the City shall require the applicant to provide disclosure of such information as the City deems appropriate to the purchasers of property within the District, with respect to the existence of the District, maximum and/or backup special taxes to be levied within the District. Such disclosure shall include home buyer notifications requiring signature prior to home purchases, as well as methods to notify subsequent home purchasers.

(2) Recordation of Special Tax Lien. The City shall record a Special Tax Lien or Amendment thereto for each District or annexation, as required by the Mello-Roos Act.

VI. EQUITY OF TAX ALLOCATION FORMULAS

The rate and method of apportionment of the special tax must be both reasonable and equitable in apportioning the costs of the public services to be financed to each of the parcels within the boundaries of the proposed District and future potential annexations. A rate may be based on a fiscal impact study or other reasonable determination.

The rate and method of apportionment of the special tax shall also provide for the administrative expenses of the proposed District, including, but not limited to, those expenses necessary for the enrollment and collection of the special tax.

All property not otherwise exempted by the Mello-Roos Act from taxation shall be subject to the special tax. The rate and method of apportionment may further provide for exemptions to be extended to parcels that are to be dedicated at a future date to public entities, held by a home owner's association, designated open space, or as otherwise determined by the City Council, as legislative body.

The City will allow an annual escalation factor on parcels within a District. The objective of the City is to limit such annual escalations in special taxes up to four percent (4%) or cost of living increases (CPI) per year as may be provided in the Rate and Method of Apportionment.

The maximum annual special tax, together with ad valorem property taxes, special assessments or taxes for an overlapping financing district, or any other charges, taxes, or fees payable from and secured by the property, including potential charges, taxes, or fees relating to authorized but unissued debt of public entities other than the City, in relation to the expected assessed value of each parcel upon completion of the private improvements to the parcel is of great importance to the City in evaluating the proposed District

The objective of the City is to limit the "overlapping" debt burden on any parcel to two percent (2%) of the expected assessed value of the parcel upon completion of the improvements.

VII. APPRAISALS

N/A.

VIII. EXCEPTIONS TO THESE POLICIES

The City may find in certain instances that a waiver to any of the above stated policies is reasonable given benefits to be derived from such waiver. Such waivers are granted only by action of the City Council.

ATTACHMENT 2

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
DECLARING ITS INTENTION TO ESTABLISH CITY OF YUBA CITY COMMUNITY
FACILITIES DISTRICT NO. 2021-1 (MUNICIPAL SERVICES), TO AUTHORIZE THE LEVY OF
A SPECIAL TAX THEREIN TO FINANCE CERTAIN SERVICES AND TO AUTHORIZE THE
ANNEXATION OF FUTURE TERRITORY IN THE FUTURE ANNEXATION AREA TO THE
DISTRICT BY UNANIMOUS WRITTEN APPROVAL**

WHEREAS, the City Council of the City of Yuba City (the "City Council") has received a petition ("Petition") requesting the institution of proceedings for the formation of a community facilities district pursuant to 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 (the "Act"); and

WHEREAS, the City Council has determined that it is necessary and desirable to create a community facilities district pursuant to the terms and provisions of the Act, as amended, for the purpose of mitigating the financial impact of new development on maintenance and operation of public safety services, fire services, lighting, parkways, streets, roads, open space and any real property or other tangible property with an estimated useful life of five or more years that is owned by the City; and

WHEREAS, presented herewith, the City Council has previously reviewed the Hearing Report, dated August 23, 2017 ("Fiscal Report"), prepared by New Economics & Advisory, related to City of Yuba City Community Facilities District No. 2021-1 (Municipal Service) ("CFD 2021-1"), showing the fiscal impact on municipal services of new residential development in the City; and

WHEREAS, based on the Fiscal Report, the City Council previously established City of Yuba City Community Services District No. 2017-1 (Municipal Services) ("CFD 2017-1") and has annexed properties to CFD 2017-1; and

WHEREAS, the City Council believes that a community facilities district provides an appropriate way for new developments now and in the future to be able to mitigate their impact on services; and

WHEREAS, the City Council has decided to form a new community facilities district to provide more clarity to City staff and developments that are not in CFD 2017-1 and to update the taxes to the current date; and

WHEREAS, pursuant to Section 53328.1, and 53339.3 of the Government Code, the City Council further desires to undertake proceedings to provide for the future annexation of territory to CFD 2021-1, with the condition that a parcel or parcels within that territory may be annexed to the community facilities district and subjected to the special tax only with the unanimous approval of the owner or owners of the parcel or parcels at the time that the parcel or parcels are annexed; and

WHEREAS, notwithstanding the provision above, properties may annex to CFD 2021-1 through any procedure permitted by the Act, including an election of the qualified electors; and

WHEREAS, the Act authorizes the City Council to establish a community facilities district and to levy special taxes within the community facilities district.

NOW, THEREFORE, the City Council of the City of Yuba City resolves as follows:

1. Recitals. The above recitals are all true and correct.
2. Initiation of Proceedings. The City Council hereby declares its intention to conduct proceedings for the formation of a community facilities district pursuant to the provisions of the Act.
3. Policies. The City Council hereby determines that the formation of a community facilities district to fund public services necessary as a result of development within the area of the community facilities district is consistent with its “City of Yuba City – Statement of Policies and Procedures for Services Community Facility Districts”, adopted May 18, 2021, by the City Council, which permits the funding of services authorized by the Act.
4. Name of CFD. The proposed community facilities district shall be known and designated as “City of Yuba City Community Facilities District No. 2021-1 (Municipal Services)” (the “CFD”).
5. Boundaries of CFD. A description of the exterior boundaries of the territory proposed for inclusion in the CFD, including properties and parcels of land proposed to be subject to the levy of a special tax by the CFD, is as shown on the boundary map designated as “MAP OF PROPOSED BOUNDARIES OF CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT NO. 2021-1 (MUNICIPAL SERVICES), CITY OF YUBA CITY, COUNTY OF SUTTER, STATE OF CALIFORNIA” which is on file in the office of the City Clerk and is attached hereto as Exhibit A and hereby incorporated by reference (“the Property”). Pursuant to Streets and Highways Code Sections 3110 *et. seq.*, the City Clerk is hereby directed to record the map of the boundaries of the CFD within 15 days of adoption of this Resolution in the office of the Recorder of the County of Sutter.
6. Potential Future Annexations. A description of the exterior boundaries of the property proposed to be annexed to the area in the future upon unanimous approval of the owner or owners of the applicable parcel or parcels to the special tax at the time that the parcel or parcels are annexed is described on Exhibit B hereto and hereby incorporated by reference (the “Future Annexation Area”). Pursuant to Streets & Highways Code Sections 3110 *et. seq.*, the City Clerk is hereby directed to record the map of the boundaries of the Future Annexation Area within 15 days of adoption of this Resolution in the office of the Recorder of the County of Sutter.
7. Description of Services. It is the intention of this City Council to finance certain services described on Exhibit C hereto and by this reference incorporated herein (the “Services”). The City Council hereby finds that the Services are in addition to those provided in or required for the territory within the CFD prior to the establishment of the CFD and that such Services will not supplant services already available within that territory. The City Council hereby approves of the Fiscal Report. The City Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within the area of the CFD and the Future Annexation Area, once developed. The Services are in addition to those provided in the territory of the CFD and the Future Annexation Area as of the date hereof and will not supplant services already available within the territory of the CFD and the Future Annexation Area as of the date hereof. The City intends to provide the Services on an equal basis in the original territory of the CFD and, when it has been annexed to the CFD, properties in the Future Annexation Area.

8. Special Tax. It is hereby further proposed that, except where funds are otherwise available to pay for the Services, a special tax sufficient to pay for such Services and related incidental expenses authorized by the Act (the “Special Tax” or “Special Taxes”), secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the boundaries of the CFD and properties which are annexed in the Future Annexation Area. For further particulars as to the rate and method of apportionment of the Special Tax proposed to be levied within the CFD and properties in the Future Annexation Area, once annexed, reference is made to the attached Exhibit D which is incorporated herein by this reference, which sets forth in sufficient detail the rate and method of apportionment of the Special Tax among parcels of real property in the CFD (the “Rate and Method”) to allow each landowner or resident within the CFD or annexed properties to clearly estimate the maximum amount that such person will have to pay for such special taxes for Services. The City Council hereby determines the Rate and Method set forth in Exhibit D to be reasonable.

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, or shall be collected in such other manner as may be provided by the City Council. Any Special Taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City Treasurer or duly appointed officer or agent of the City of Yuba City, as appointed by the City Council.

In accordance with Section 53339.3(d) of the Government Code, the City Council hereby determines that the Special Tax proposed to pay for Services to be supplied within the Future Annexation Area shall be equal to any special tax levied to pay for the same Services in the CFD, except that a higher or lower tax may be levied within the Future Annexation Area to the extent that the actual cost of providing the Services in the Future Annexation Area is higher or lower than the cost of providing those Services in the CFD. In so finding, the City Council does not intend to limit its ability to levy a special tax in areas to be annexed to provide new or additional services beyond those supplied within the CFD.

The Rate and Method of Apportionment may be comprised of different Tax Zones to reflect impacts and rates as different properties are annexed to the CFD.

The City Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

9. Joint Public Hearing on CFD and Future Annexation Area. Notice is given that on July 6, 2021, at the hour of 6 p.m. (or as soon thereafter as practical), in the regular meeting place of the City Council being the City 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 establishment of the proposed CFD and the Future Annexation Area, the extent of the CFD and the Future Annexation Area, the furnishing of the Services within the CFD and the Future Annexation Area, and the proposed Rate and Method, this resolution on the proposed Future Annexation Area and all other matters as set forth in this resolution of intention. At the above-mentioned time and place for the public hearing any persons interested, including taxpayers, persons registered to vote within the CFD and the Future Annexation Area and property owners within the CFD and Future Annexation Area, may appear and be heard. The testimony of all interested persons for or against the establishment of the CFD, the extent of the CFD, the Future Annexation Area, the furnishing of the services and the special taxes will be heard and

considered. Any protests may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the public hearing.

If 50 percent or more of the registered voters, or six registered voters, whichever is more, residing within the CFD, or if 50 percent or more of the registered voters or six registered voters, whichever is more, residing within the Future Annexation Area and not exempt from special tax, or if the owners of one-half or more of the area of land in the CFD or the Future Annexation Area and not exempt from special tax, or if the owners of one-half or more of the area of land in the CFD or the Future Annexation Area and not exempt from the special tax, file written protests against the CFD, the Future Annexation Area or the proposed annexation of territory to the CFD or the Future Annexation Area and protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings to form the CFD or annex the territory, or to authorize the same territory to be annexed in the future, shall be undertaken for a period of one year from the date of decision of the legislative body on the issues discussed at the hearing.

If such majority protest is limited to certain services or portions of the Special Tax, those services or that tax shall be eliminated by the City Council.

10. Election. If, following the public hearing described in Section 9 above, the City Council determines to establish the CFD and proposes to levy the Special Tax within the CFD, the City Council shall then submit the levy of the Special Taxes to the qualified electors of the CFD. The vote shall be by the landowners of the CFD (if there are fewer than 12 registered voters in the CFD) with each landowner or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within the CFD.

The election shall be conducted by the City Clerk, and shall be held on a date selected by the City Council in conformance with the provisions of Section 53326 of the California Government Code and pursuant to the provisions of the California Elections Code, insofar as they may be applicable, or such date as agreed upon by the landowners of the CFD pursuant to a consent and waiver form executed by the CFD landowners. Pursuant to said Section 53326 the ballots for the election shall be distributed to the qualified electors of the CFD by mail with return postage prepaid or by personal service and the special election shall be conducted as a mail ballot election.

A successful election relating to the authorization of Special Tax shall establish the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to the CFD.

11. Notice. Notice of the time and place of the public hearing shall be given by the City Clerk by causing a Notice of Public Hearing to be published in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing. In addition, notice of the time and place of said hearing may also be given by first-class mail to each registered voter and to each landowner within the proposed CFD as prescribed by Section 53322.4 of said Act. Said notice shall be published at least seven (7) days and, if mailed, at least fifteen (15) days before the date of the hearing, and shall contain the information required by said Section 53322 of the Act. Landowners within the CFD may waive notice as provided by the Act.

12. Exempt Properties. Except as provided in Section 53340.1 of the Act and except for properties that a local agency is a landowner of within the meaning of subdivision (f) of Section 53317 of the Act, pursuant to Section 53340 of the California Government Code, properties of entities of the state, federal, and local governments shall be exempt from the levy of Special Taxes for the financing of the Services of the proposed CFD. Reference is hereby made to the Rate and Method for a description of other properties or entities that are expressly exempted from the levy of the Special Taxes.

13. Necessity. The City Council finds that the proposed Services described in Section 7 hereof are necessary to meet increased demands placed upon the City as a result of new development occurring within the boundaries of the proposed CFD.

14. Annexation of Territory. Property may be annexed into the CFD pursuant to the provisions of the Act. Annexations within the Future Annexation Area may be effectuated by the unanimous approval of the qualified electors. A form of unanimous written approval (without the exhibits) is attached as Exhibit E and by this reference incorporated herein and is hereby approved, with such changes as permitted herein. The City Manager may make such changes to the form as he/she may deem to be appropriate for the CFD. The City Council shall receive, file and approve each unanimous approval of annexation to the CFD at a City Council Meeting and direct the City Clerk to file the applicable amended notice of lien and take any other requested actions. Each annexation shall be described (as near as possible in sequential form) as "Annexation No. ___ to the CFD" or words of similar import. Any properties located outside the City may be annexed to the CFD upon annexation to the City, or as otherwise provided by the Act.

Pursuant to Section 53329.6 of the Act, in order to reduce the procedural burdens on local agencies, the City Council hereby authorizes that property owners may vote in favor of special taxes, an appropriations limit, and annexation to the CFD by unanimous approval as provided in the Act. The State Legislature has declared that any unanimous approval constitutes the vote of the qualified elector in favor of the matters addressed in the unanimous approval for purposes of the California Constitution, including, but not limited to, Articles XIII A and XIII C.

15. Public Interest. Pursuant to Section 53329.5(c) of the Act, the City Council finds, in its opinion, the public interest will not be served by allowing property owners in the CFD to enter into a contract pursuant to Section 53329.5(a) of the Act.

16. Advances. The City or CFD may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, and is authorized and directed to use such funds or that work-in-kind for any authorized purpose, including, but not limited to, paying any cost incurred by the City in creating the CFD. The City or CFD 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 City Council, with or without interest.

17. Reports. The City Manager, together with each City officer who is or will be responsible for providing one or more of the proposed types of services to be financed by the CFD, if it is established, is hereby directed to study the proposed CFD and, at or before the time of the public hearing, file a report with the City Council, which is to be part of the record of the public hearing, containing the following: (i) a brief description of the services by type that will in the City officer's opinion be required to adequately meet the needs of the CFD and Future Annexation Area and (ii) an estimate of the cost of providing those services.

18. Effectiveness. This Resolution is effective upon passage.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 18th day of May, 2021.

AYES:

NOES:

ABSENT:

ATTEST:

Marc Boomgaarden, Mayor

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Exhibit "A" – Map of Proposed Boundaries
Exhibit "B" – Map of Future Annexation Area
Exhibit "C" – Description of Services
Exhibit "D" – Rate and Method of Apportionment
Exhibit "E" – Form of Unanimous Written Approval

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

I, Ciara Wakefield, Deputy City Clerk of the City of Yuba City, do hereby certify that the foregoing Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the City of Yuba City held on the 18th day of May, 2021.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:

AYES:
NOES:
ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Yuba City this 18th day of May, 2021.

CIARA WAKEFIELD, DEPUTY CITY CLERK

EXHIBIT "A"

PROPOSED BOUNDARY MAP
CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT No. 2021-1 (MUNICIPAL SERVICES)
DUNN RANCH - UNIT 1
 CITY OF YUBA CITY
 SUTTER COUNTY, STATE OF CALIFORNIA



Filed in the Office of the City Clerk this _____
 day of _____, 2021.

 Jackie Sillman, City Clerk
 City of Yuba City
 Sutter County
 State of California

I hereby certify that the within map showing proposed boundaries of CFD 2021-1 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 _____, 2021 by its Resolution No. _____.

 Jackie Sillman, City Clerk
 City of Yuba City
 Sutter County
 State of California

Filed this _____ day of _____, 2021, 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

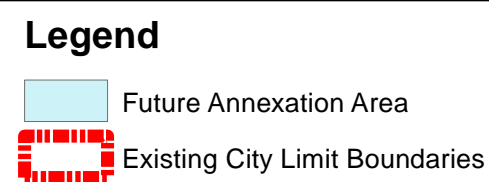
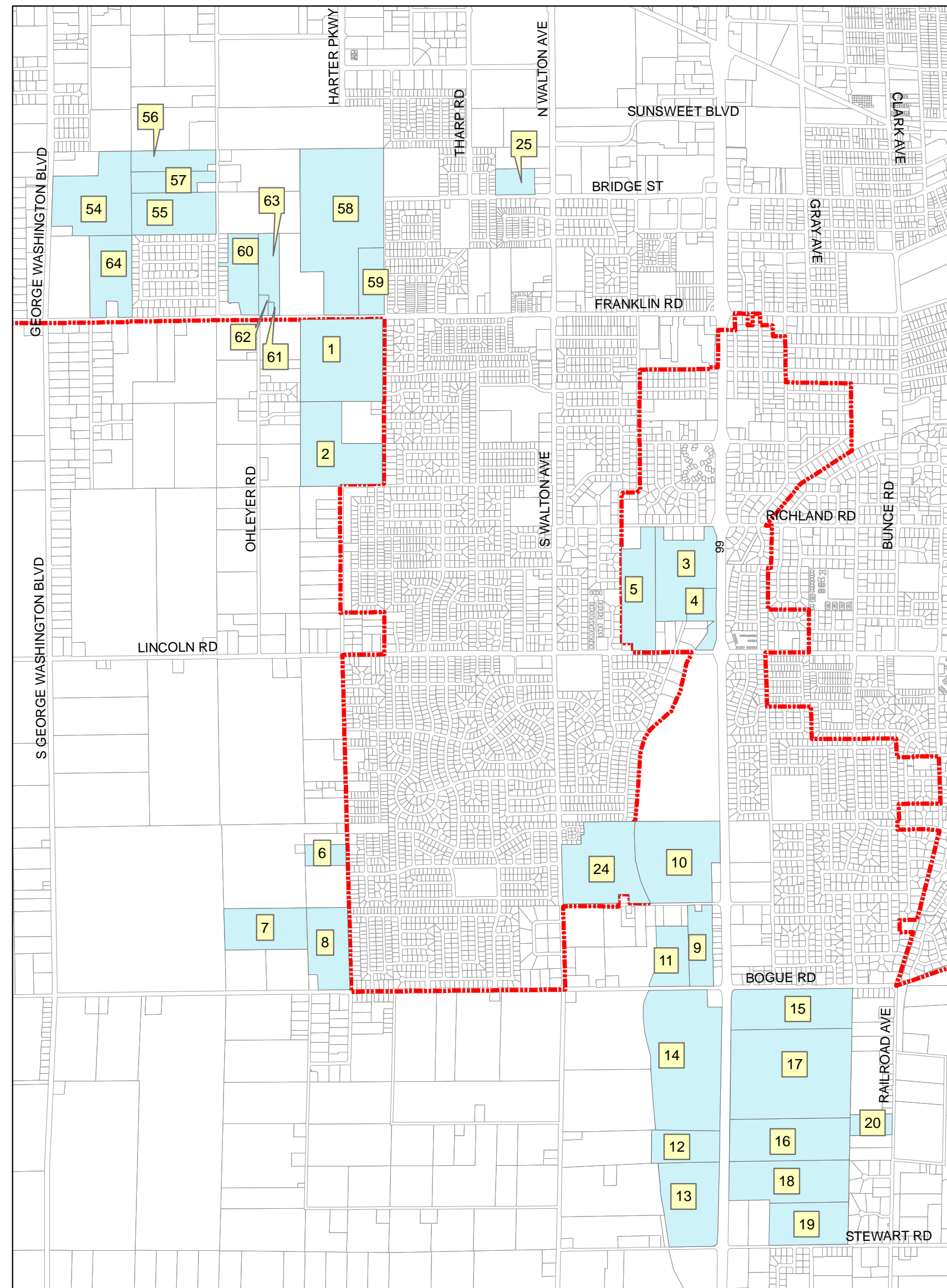
 Deputy

Document No. _____
 Fee: _____

EXHIBIT "B"

PROPOSED FUTURE ANNEXATION AREA MAP CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT No. 2021-1 (MUNICIPAL SERVICES)

CITY OF YUBA CITY
SUTTER COUNTY, STATE OF CALIFORNIA



MAP REFERENCE NUMBER	ASSESSOR PARCEL NUMBER
1	20-030-121
2	20-030-122
3	20-054-005
4	20-054-022
5	20-054-027
6	22-040-003
7	22-040-010
8	22-040-063
9	22-060-013
10	22-060-050
11	22-060-054
12	23-010-005
13	23-010-120
14	23-010-127
15	23-040-001
16	23-040-004
17	23-040-005
18	23-040-062
19	23-040-064
20	23-380-007
24	56-030-065
25	58-080-005
54	63-040-003
55	63-040-005
56	63-040-006
57	63-040-008
58	63-040-010
59	63-040-011
60	63-040-016
61	63-040-017
62	63-040-018
63	63-040-019
64	63-040-024

Filed in the Office of the City Clerk this _____ day of _____, 2021.

Jackie Sillman, City Clerk
City of Yuba City
Sutter County
State of California

I hereby certify that the within map showing proposed future annexation area of CFD 2021-1 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 _____, 2021 by its Resolution No. _____.

Jackie Sillman, City Clerk
City of Yuba City
Sutter County
State of California

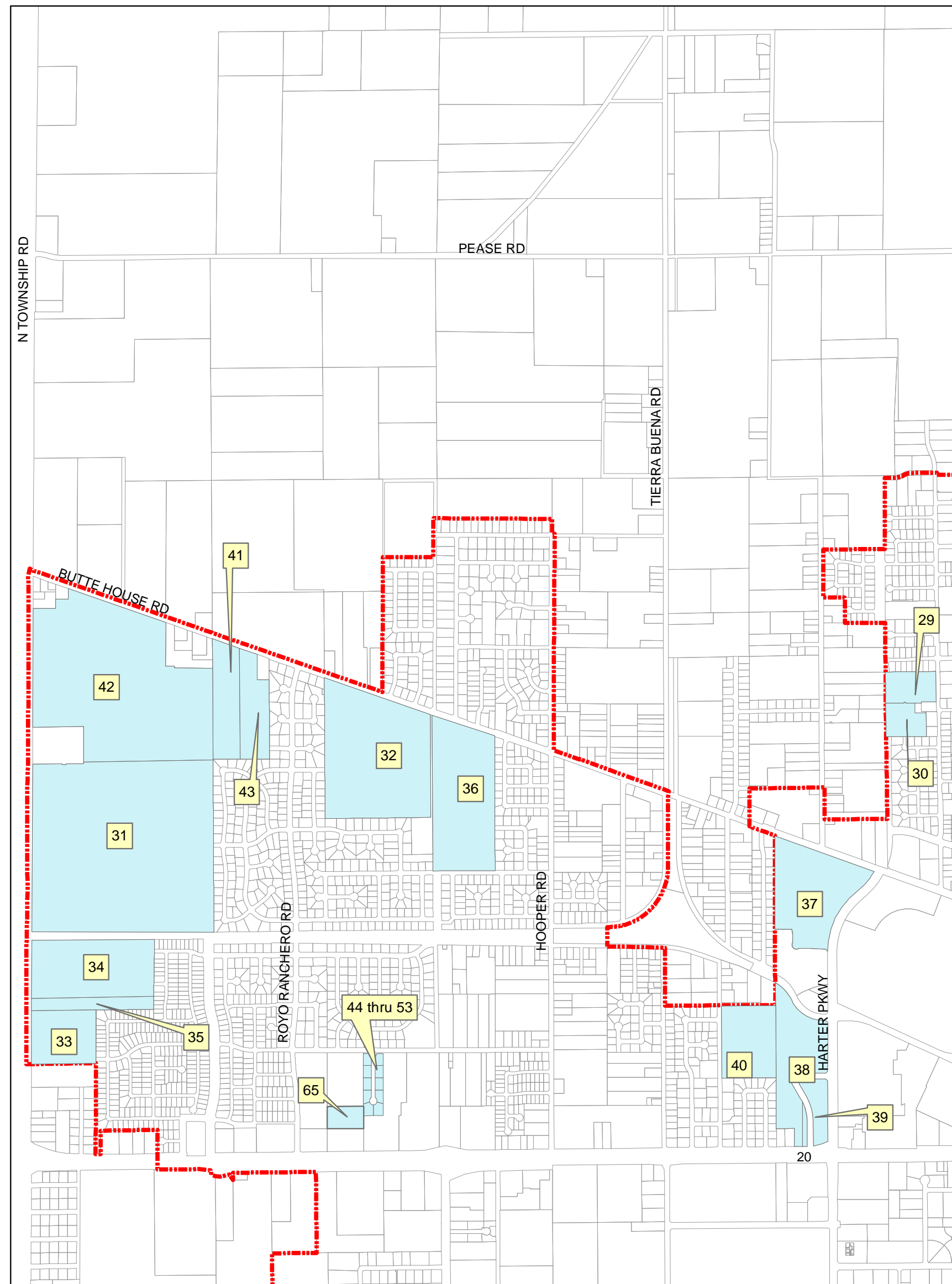
Filed this _____ day of _____, 2021, at the hour of _____ o'clock ____m. in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____, in the Office of the County Recorder in Sutter County, State of California.

Donna Johnston
County Recorder
Sutter County
State of California

Deputy
Document No. _____
Fee: _____

PROPOSED FUTURE ANNEXATION AREA MAP CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT No. 2021-1 (MUNICIPAL SERVICES)

CITY OF YUBA CITY
SUTTER COUNTY, STATE OF CALIFORNIA



Legend
 Future Annexation Area
 Existing City Limit Boundaries



MAP REFERENCE NUMBER	ASSESSOR PARCEL NUMBER
29	59-530-008
30	59-530-027
31	62-010-030
32	62-010-031
33	62-020-079
34	62-020-080
35	62-020-081
36	62-033-007
37	62-310-004
38	62-310-011
39	62-310-012
40	62-310-013
41	62-380-011
42	62-380-033
43	62-380-042
44	62-420-001
45	62-420-002
46	62-420-003
47	62-420-004
48	62-420-005
49	62-420-006
50	62-420-007
51	62-420-008
52	62-420-009
53	62-420-010
65	62-020-074

Filed in the Office of the City Clerk this _____ day of _____, 2021.

 Jackie Sillman, City Clerk
 City of Yuba City
 Sutter County
 State of California

I hereby certify that the within map showing proposed future annexation area of CFD 2021-1 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 _____, 2021 by its Resolution No. _____.

 Jackie Sillman, City Clerk
 City of Yuba City
 Sutter County
 State of California

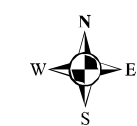
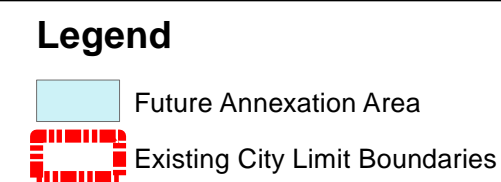
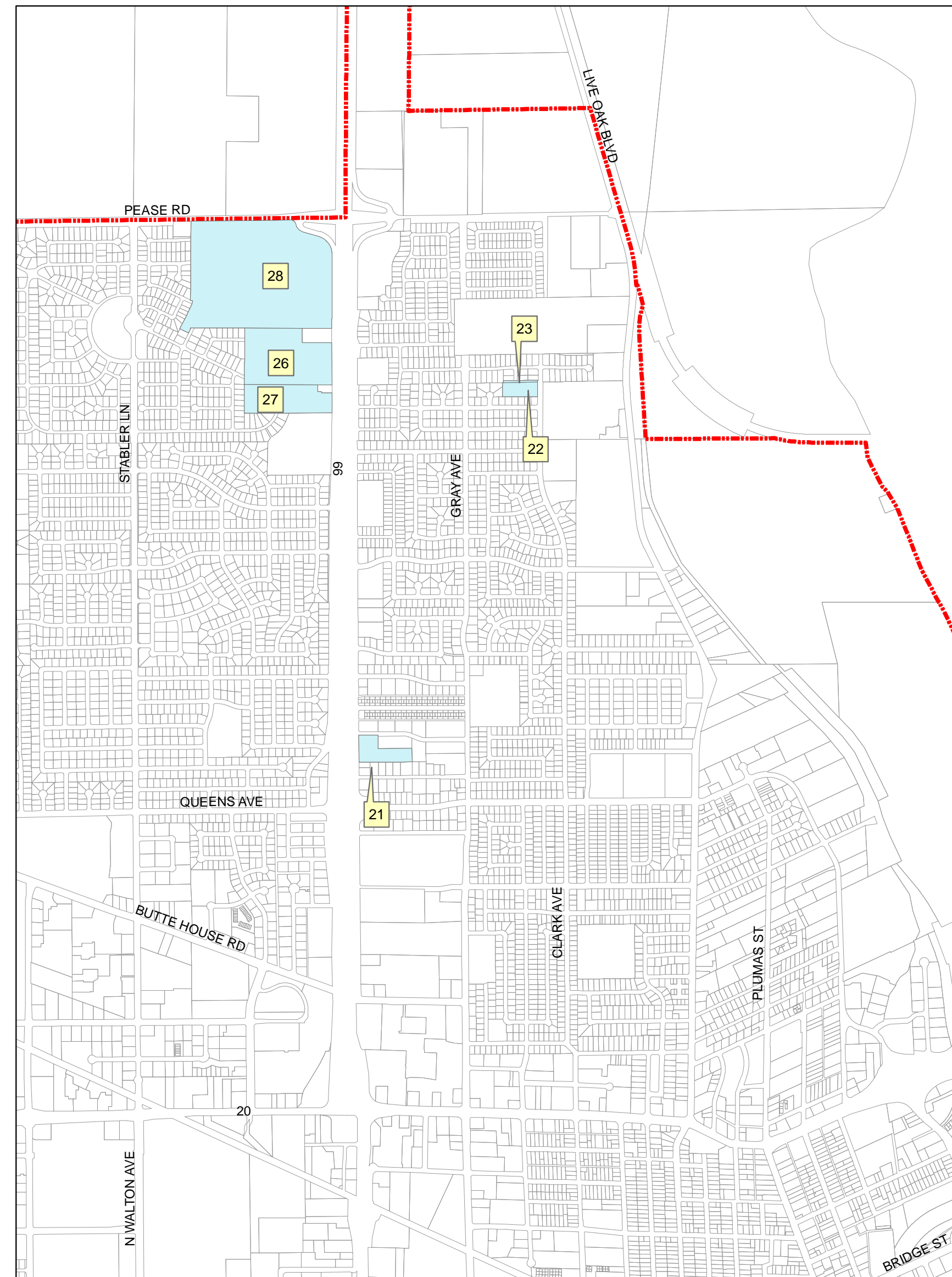
Filed this _____ day of _____, 2021, at the hour of _____ o'clock ____m. in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____, in the Office of the County Recorder in Sutter County, State of California.

Donna Johnston
 County Recorder
 Sutter County
 State of California

 Deputy
 Document No. _____
 Fee: _____

**PROPOSED FUTURE ANNEXATION AREA MAP
CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT No. 2021-1 (MUNICIPAL SERVICES)**

CITY OF YUBA CITY
SUTTER COUNTY, STATE OF CALIFORNIA



Filed in the Office of the City Clerk this
_____ day of _____, 2021.

Jackie Sillman, City Clerk
City of Yuba City
Sutter County
State of California

I hereby certify that the within map showing proposed future annexation area of CFD 2021-1 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 _____, 2021 by its Resolution No. _____.

Jackie Sillman, City Clerk
City of Yuba City
Sutter County
State of California

MAP REFERENCE NUMBER	ASSESSOR PARCEL NUMBER
21	51-062-010
22	51-620-026
23	51-660-084
26	59-030-009
27	59-030-011
28	59-030-024

Filed this _____ day of _____, 2021, 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 "C"

LIST OF SERVICES

The Services to be funded by the CFD include the following services and all incidental expenses related to such services, all of which are authorized by the Act:

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. 2021-1 are the types of services to be provided in the Future Annexation Area, as properties are annexed.

The services include operational and maintenance costs associated with providing such services.

EXHIBIT "D"

**CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(MUNICIPAL SERVICES)
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2021-1 (Municipal Services) [herein "CFD No. 2021-1"] 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. 2021-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2021-1, 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 No. 2021-1 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. 2021-1 as set forth in the documents adopted by the City Council when the CFD No. 2021-1 was formed.

"Base Year" means Fiscal Year 2020-2021.

"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. 2021-1.

"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. 2021-1 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. 2021-1 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. 2021-1 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. 2021-1 designated as Developed Residential Property.

"Undeveloped Residential Property" means all Parcels of Residential Property within the boundaries of CFD No. 2021-1 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.

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. 2021-1, 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.

B. MAXIMUM SPECIAL TAX RATE

All Taxable Property within the CFD No. 2021-1 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. 2021-1:

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	Fiscal Year 2020/21 Maximum Special Tax Amount *
Single Family Property	\$467.10 per Single Family Residential Unit
Multi-Family Property	\$340.70 per Multi-Family Residential Unit
Undeveloped Residential Property	\$0 per Assessor's Parcel

* Beginning July 1, 2021 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.

C. 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. 2021-1. The Special Tax for CFD No. 2021-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 2021-1 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.

D. 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.

E. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2021-1 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. Such zones may be referred to by reference to a letter or number on the boundary map, and adjust the rates in Table 1 of such annexation to reflect the applicable rates.

The City may adopt a future annexation area in the future and allow for annexation by unanimous written consent.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do 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.

G. TERM

The Special Tax shall be collected in perpetuity.

H. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

EXHIBIT "E"

**UNANIMOUS APPROVAL
of Annexation to a Community Facilities District and Related Matters**

City of Yuba City

**Community Facilities District No. 2021-1
(Municipal Services)**

Annexation No. _____

To the Honorable City Council
City of Yuba City, as legislative body of
Community Facilities District No. 2021-1
(Municipal Services)
1201 Civic Center Boulevard,
Yuba City, California 95993

Members of the City Council:

This constitutes the Unanimous Approval (the "Unanimous Approval") of _____, the record owner(s) (the "Property Owner") of the fee title to the real property identified below (the "Property") contemplated by Section 53339.3 et seq. of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to the annexation of the Property to the "City of Yuba City Community Facilities District No. 2021-1 (Municipal Services)" (the "CFD") and approval of the special taxes to be levied against the Property, and the undersigned hereby states, certifies, agrees and declares under penalty of perjury, as follows:

1. Property Owner. This Unanimous Approval is submitted by the Property Owner as the record owner(s) of fee title to the Property. The Property Owner has supplied to the City current evidence of its ownership of fee title to the Property. No parties are residing on the Property and therefore there are no registered voters on the Property.

2. Approval of Annexation. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the annexation of the Property to the CFD. The CFD was formed to finance the municipal services, which are incorporated herein by this reference (the "Services") described in Exhibit A hereto and made a part hereof. In such connection Property Owner has reviewed the list of the Services and hereby agrees, consents and approves to the Services and the Annexation of the Property to the CFD for the benefit of the City and the CFD.

3. Approval of Special Tax and the Services. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the levy of special taxes (the "Special Taxes") on the Property to finance the Services. The Special Taxes will be levied according to the Rate and Method of Apportionment of Special Taxes for the CFD attached hereto as Exhibit B and made a part hereof (the "Rate and Method"). In such connection property owner consents and approves of the Rate and Method and understands that such taxes shall be levied against the Property.

4. Approval of the Appropriations Limit. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the appropriations limit established for the CFD. The Property Owner hereby approves, consents and agrees to the appropriations limit for the CFD of \$1,700,000, pursuant to Article XIII B of the California Constitution, as adjusted for changes in the cost of living and changes in the population.

5. Waivers and Vote. Resolution Nos. _____ and _____ adopted by the City Council on _____ and _____ and Sections 53328.1 and 53339.3 of the Act provide an alternate and independent procedure for annexation to a community facilities district that simplifies the annexation process. Under such process, the Property Owner acknowledges and agrees that by executing this Unanimous Approval, the Property Owner is voluntarily waiving any and all right to an election held in accordance with Sections 53326, 53327, 53327.5, 53328, 53339.7, 53339.8 and other relevant provisions of the Act. The Property Owner hereby confirms that this Unanimous Approval constitutes its unanimous approval and unanimous vote as described herein and as contemplated by Section 53339.3 *et seq.* of the Act and for purposes of the California Constitution Article XIII A and XIII C. In lieu of an approval by public hearing, ballot and election, if any, the Property Owner intends for this Unanimous Approval to constitute its ballot and election and waiver of a public hearing. Further, the Property Owner hereby waives all other rights with respect to the annexation of the Property, the levy of the Special Taxes on the Property in accordance with the rate and method of apportionment and the other matters covered in this Unanimous Approval.

6. Recordation of Amendment to Notice of Special Tax Lien. The Notice of Special Tax Lien for the CFD was recorded in the Office of the County Recorder of the County of Sutter, State of California on _____, as Document No. _____.

The Property Owner hereby understands and agrees, consents and approves to the City Clerk, or City designee, to execute and cause to be recorded in the office of the County Recorder of the County of Sutter an amendment to the Notice of Special Tax Lien for the CFD as required by Section 3117.5 of the California Streets and Highways Code. The amendment to the Notice of Special Tax Lien shall include the Rate and Method as an exhibit thereto.

7. Authority Warranted. The Property Owner warrants to the City that the presentation of this Unanimous Approval, any votes, consents or waivers contained herein, and other actions for the annexation of the Property to the CFD and the levy of special taxes within the area of the Property shall do not constitute events of default or delinquencies under any existing or proposed financing documents entered into or to be entered into by the Property Owner for the Property, including any “due-on-encumbrance” clauses under any existing security instruments secured by the Property.

8. Due Diligence and Disclosures. The Property Owner agrees to cooperate with the City and its attorneys and consultants and to provide all information and disclosures required by the City and/or the Act about the Special Taxes to purchasers of the Property or any part of it.

9. Agreements. The Property Owner further agrees to execute such additional or supplemental agreements as may be required by the City to provide for any of the actions and conditions

described in this Unanimous Approval, including any cash deposit required to pay for the City's costs in annexing the Property to the CFD.

10. The Property. The Property is identified below, and such Property Owner approves, consents and agrees that Property will be subject to the CFD upon recordation of the amendment to the Notice of Special Tax Lien. [The Property is located in the Future Annexation Area of the CFD and the map is attached] or [The map demonstrating the annexed Property area is entitled "Annexation Map No. ____ of City of Yuba City Community Facilities District No. 2021-1 (Municipal Services)" and is attached hereto as Exhibit C.]

Assessor's Parcel Number(s):

APN	Acreage	Anticipated Units	Property Owner

Property Addresses:

[No Address]

Acres: _____

By executing this Unanimous Approval, the Property Owner agrees, consents, declares and certifies to all of the above.

Annexation No. _____

Property Owner

By: [NAME OF PROPERTY OWNER]

By: _____

Name: _____

Title: _____

Notice Address

EXHIBIT A

**City of Yuba City
Community Facilities District No. 2021-1
(Municipal Services)**

DESCRIPTION OF SERVICES

EXHIBIT B

City of Yuba City

**Community Facilities District No. 2021-1
(Municipal Services)**

RATE AND METHOD OF APPORTIONMENT

The Special Tax shall be levied in Annexation No. ____ in accordance with the Rate and Method of Apportionment of Special Tax for City of Yuba City Community Facilities District No. 2021-1 (Municipal Services) pursuant to the rate set forth in the attachment hereto.

EXHIBIT C

Yuba City

Community Facilities District No. 2021-1

(Municipal Services)

[ANNEXATION MAP NO. _____ OF YUBA CITY COMMUNITY FACILITIES DISTRICT NO. 2021-1

(MUNICIPAL SERVICES)] OR [MAP OF FUTURE ANNEXION AREA]

[see attached]

ATTACHMENT 3

**PETITION TO FORM
CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT NO. 2021-1
(MUNICIPAL SERVICES)
AND WAIVER WITH RESPECT TO CERTAIN RELATED MATTERS**

TO THE CITY COUNCIL
CITY OF YUBA CITY
1201 Civic Center Boulevard,
Yuba City, California 95993

Members of the Council:

This is (i) a petition to request that the City Council of the City of Yuba City (the "City Council") institute proceedings to form the City of Yuba City Community Facilities District No. 2021-1 (Municipal Services) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code Section 53311 and following (the "Act"), and (ii) a waiver of certain time limits and requirements in connection with the public hearing and election to be held by the City Council in connection with the formation of CFD.

THE UNDERSIGNED (THE "PETITIONER") EXECUTES THIS PETITION AND WAIVER BASED ON THE UNDERSTANDING THAT THE CFD WILL LEVY A SPECIAL TAX ONLY ON REAL PROPERTY THAT IS OWNED IN FEE BY THE UNDERSIGNED, THE DEVELOPER/PROPERTY OWNER OF THE PROPOSED PROJECT.

The undersigned hereby states, certifies represents and agrees and declares under penalty of perjury as follows:

- I. **Petitioner.** This petition and waiver is submitted by the person identified below as the owner or the authorized representative(s) of the owner of the parcel(s) of land identified below (the "Property"). By submitting this petition, such person warrants to the City of Yuba City (the "City") that he or she is either the owner of the Property or is legally authorized by the owner of such land to execute this petition and waiver. Furthermore, such person warrants that there are no registered voters residing on such Property and that he or she is the owner of one hundred percent (100%) of the area of such Property and that that there are no liens or encumbrances on such land in the favor of any lender, including but not limited to any deeds of trust, mortgages, leases, or liens of a similar nature. The undersigned is authorized to represent the landowner identified below to request and petition the City Council (the "Council") of the for formation of the CFD and to authorize certain other requests, consents and waivers contained herein and to execute any ballots or other documents in connection with the

annexation. The boundaries of the Property for the CFD are described on Exhibit A hereto and by this reference incorporated herein.

- II. **Proceedings Requested.** Petitioner hereby requests, pursuant to Sections 53318 and 53339 *et. seq.* of the Act, that the City Council, undertake proceedings under the Act to form the CFD with the Property and to levy special taxes on said real property within the CFD. The undersigned requests that proceedings be commenced (i) form the the CFD for the purpose of financing the serviced described below, (ii) to authorize the levy of special taxes on the Property in accordance with the rate and method of apportionment of the CFD which is attached hereto as Exhibit C and by this reference incorporated herein (“RMA”) to finance the above-mentioned services, incidental expenses and fees, and (iii) to establish and/or change an appropriations limit for the CFD and any future annexations to the CFD.
- III. **Boundaries of the CFD.** Petitioner asks that the territory to be included in the boundaries of the CFD consist of the boundaries which are described as the exterior boundaries of the property more particularly shown on a map thereof attached hereto as Exhibit A (and incorporated herein by this reference) and to be filed in the office of the County Clerk of Sutter County following formation, which indicates by a boundary line the extent of the territory included in the proposed CFD and which shall govern for all details as to the extent of the CFD at the time of formation. The Petitioner understands that there will be a future annexation area included in the formation proceedings for the CFD.
- IV. **Purpose of the CFD.** Petitioner asks that the CFD be created, the special taxes be levied to finance and to provide the public services shown in Exhibit B attached hereto and incorporated herein by this reference (“Services”). The Petitioner has reviewed the list of Services and the RMA related to the special taxes. Petitioner hereby consents to the levy of the special taxes pursuant to the RMA and the funding of the Services to be levied perpetually on the Property.
- V. **Proceedings, Hearings, Consent.** Petitioner requests that proceedings to form the CFD and hold the special election be commenced and completed on the same date if possible, including the public hearing, the resolution of formation, the resolution calling the special election and the resolution declaring the results of the election. Petitioner knowingly hereby waives any time periods, notices, requirements of law or other proceedings in order to accomplish such formation and election on special taxes and an appropriations limit. Petitioner as sole property owner unanimously consents to the inclusion of the Property described herein in the CFD, to form the CFD, and to the special taxes to be levied on the property to pay for the Services and the appropriations limit of \$1,700,000 in the CFD or as determined by the City, as it may be adjusted annually.
- VI. **Election.** Petitioner hereby requests that the City Council consolidate the special election to be held under the Act to authorize the special taxes for the CFD and authorize an appropriations limit into a single election, or an election

with two propositions, if convenient, and that the City and its officials conduct the election using mailed or hand-delivered ballots, and that the election be held, and such ballots be opened and canvassed and the results certified at the same meeting of the City Council as the public hearings held regarding the formation to the CFD pursuant to the Act or as soon thereafter as possible. In such connection, Petitioner waives all time periods, formalities and notices relating to the election, form of ballot, publication of items, arguments, tax statements or other requirements.

- VII. Waivers.** To expedite the completion of the proceedings for annexation to the CFD as requested by Petitioner, the Petitioner hereby waives all notices of hearings required under the Act, all notices of election, applicable waiting periods under the Act for public hearings and the Elections Code for the election, all ballot analysis and arguments for the election and any other requirements of the Government Code and the Elections Code applicable to the formation of the CFD and the Election.

In accordance with the provisions of the Act, and specifically Sections 53326(a) and 53327(b) thereof, allowing certain time and conduct requirements relative to a special landowner election to be waived with the unanimous consent of all the landowners to be included or annexed to a community facilities district and concurrence of the election official conducting the election, the undersigned (i) expressly consents to the conduct of the special election at the earliest possible time following the adoption by the Council of a resolution forming the CFD and (ii) expressly waives any requirement to have the special election conducted within the time periods specified in Section 53326 of the Act or in the California Elections Code.

- VIII. Outstanding Debt.** The Petitioner warrants that there is no outstanding debt on the Property.

- IX. Additional Agreements.** Petitioner agrees to execute such additional or supplemental agreements as may be required by the City to provide for any actions and conditions under this petition, including any amount of cash deposit required to pay for the City's costs related to forming the CFD. The Petitioner further agrees that this petition shall not be considered as filed with the City for purposes of commencing proceedings for the CFD under the Act unless and until deemed filed by the City in its absolute discretion.

- X. Cooperation.** The Petitioner agrees to cooperate with the City, its attorneys and consultants and provide all information required by the City regarding the special taxes to purchasers of the Property or any part of it.

- XI. Counsel.** The Petitioner has had the opportunity to consult its own counsel related to the formation of the CFD and the levy of special taxes and has consulted with such counsel or has voluntarily chosen not to do so. Petitioner understands the consequences of the CFD and the notices required to be

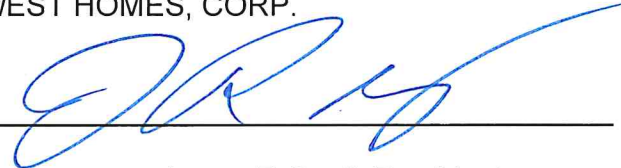
provided to future property owners related to the CFD and will provide such notices as required from the Petitioner to future owners.

[Remainder of Page Intentionally Left Blank]

This petition is dated and executed May 18, 2021.

The Petitioner is:

INTERWEST HOMES, CORP.

By: 

Name: James R Scott, President

By: 

Name: Nancy Tiff, Secretary

The address of the above owner for receiving notices and ballots is:

Interwest Homes, Corp.
950 Tharp Rd, Suite 1402
Yuba City, CA 95993
President: James R. Scott

Property Owned in Proposed CFD
(Assessor's Parcel Number(s):
Assessor's parcel numbers are 62-020-067 and 62-020-072.

EXHIBIT A
BOUNDARY MAP
[See Attached]

PROPOSED BOUNDARY MAP
CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT No. 2021-1 (MUNICIPAL SERVICES)
DUNN RANCH - UNIT 1
 CITY OF YUBA CITY
 SUTTER COUNTY, STATE OF CALIFORNIA



Filed in the Office of the City Clerk this _____ day of _____, 2021.

 Jackie Sillman, City Clerk
 City of Yuba City
 Sutter County
 State of California

I hereby certify that the within map showing proposed boundaries of CFD 2021-1 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 _____, 2021 by its Resolution No. _____.

 Jackie Sillman, City Clerk
 City of Yuba City
 Sutter County
 State of California

Filed this _____ day of _____, 2021, 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
SERVICES

The Petitioner requests that the proposed CFD be used to finance Petitioner's share of the costs of the following public services to be provided within the boundaries of the proposed CFD:

The Services to be funded by the CFD include the following services and all incidental expenses related to such services, all of which are authorized by the Act:

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. 2021-1 are the types of services to be provided in any future annexation area, as properties are annexed.

The services include operational and maintenance costs associated with providing such services.

EXHIBIT C
RATE AND METHOD OF APPORTIONMENT

[See Attached]

**CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(MUNICIPAL SERVICES)
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2021-1 (Municipal Services) [herein "CFD No. 2021-1"] 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. 2021-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2021-1, 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 No. 2021-1 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. 2021-1 as set forth in the documents adopted by the City Council when the CFD No. 2021-1 was formed.

"Base Year" means Fiscal Year 2020-2021.

"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. 2021-1.

"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. 2021-1 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. 2021-1 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. 2021-1 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. 2021-1 designated as Developed Residential Property.

"Undeveloped Residential Property" means all Parcels of Residential Property within the boundaries of CFD No. 2021-1 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.

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. 2021-1, 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.

B. MAXIMUM SPECIAL TAX RATE

All Taxable Property within the CFD No. 2021-1 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. 2021-1:

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	Fiscal Year 2020/21 Maximum Special Tax Amount *
Single Family Property	\$467.10 per Single Family Residential Unit
Multi-Family Property	\$340.70 per Multi-Family Residential Unit
Undeveloped Residential Property	\$0 per Assessor's Parcel

* Beginning July 1, 2021 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.

C. 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. 2021-1. The Special Tax for CFD No. 2021-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 2021-1 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.

D. 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.

E. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2021-1 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. Such zones may be referred to by reference to a letter or number on the boundary map, and adjust the rates in Table 1 of such annexation to reflect the applicable rates.

The City may adopt a future annexation area in the future and allow for annexation by unanimous written consent.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do 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.

G. TERM

The Special Tax shall be collected in perpetuity.

H. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

ATTACHMENT 4

City of Yuba City Community Facility District No. 2017-1 (Municipal Services)

HEARING REPORT

Prepared by New Economics & Advisory

August 23, 2017

1. Introduction

Background

The City of Yuba City (City) engaged New Economics & Advisory (New Economics) to assist with the formation of a new Community Facilities District (CFD) to provide funding for municipal services. This CFD is desired in order to ensure that new development funds its proportionate share of City services and protect the City's fiscal sustainability over time.

Purpose and Organization of the Report

This report documents key parameters of the CFD and serves as the Hearing Report required by the Mello-Roos Act, specifically California Government Code Section 53321.5. The Hearing Report includes an identification of the geographic areas and land uses that will be subject to the CFD, a discussion of the maximum special tax rates, and the methodologies used to support the identified rates.

This report includes the following key sections.

- Chapter 1: Introduction
- Chapter 2: Land Use and CFD Costs
 - Boundaries of the CFD
 - Land Uses
 - Annual CFD Costs
- Chapter 3: Proposed Maximum Special Tax
- Chapter 4: Structure of the Proposed CFD
- Exhibit A: List of Authorized Services
- Exhibit B: Rate and Method of Apportionment
- Exhibit C: Maps of Parcels Within the CFD Boundary

2. Land Use and Annual CFD Costs

Boundaries of the CFD

The land that will be subject to the CFD consists of one development project, which has received tentative map approval from the City but has not yet been constructed. **Exhibit C** contains a map which shows the properties that are within this project and that will be subject to CFD No. 2017-1.

Land Uses

The properties that are within the CFD are planned for approximately 39 single-family units, all within with the so-called “Valencia Estates” project, as shown in **Figure 1**.

1 *Summary of Projects Included in CFD* *Yuba City Services CFD*

Project Name	Parcel Number(s)	Total Project Acres	Single Family Units
Valencia Estates	59-630-001 through 59-630-039	10.7	39
Total CFD Boundary		10.7	39

Sources: City of Yuba City.

Prepared by New Economics & Advisory, August 2017.

Annual CFD Costs

The CFD is anticipated to fund a variety of expanded municipal services needed due to the new development, including, but not limited to, roadway maintenance, parks/landscaping maintenance, police services, fire protection services, stormwater facilities maintenance, and formation/ administration costs.

The City provides these services on an area or citywide basis. The estimated cost to provide these services is based on the average cost per home for services throughout the City. Because the City can only use the Special Tax to pay for expanded services in the City, the actual costs will be based on additional services cost incurred by the City as projects develop.

Fiscal Impact Analysis

New Economics prepared a Fiscal Impact Analysis (FIA) for Yuba City's AB 1600 Growth Increment for all projected development in Yuba City in the current Sphere of Influence (SOI).¹ The FIA measures the fiscal impact of each new residential unit in the City by estimating the revenues that will be generated by new development in the form of property taxes, sales taxes, and other similar revenue sources, and comparing these revenues to the expected cost of City services. The FIA calculations were performed for the anticipated buildout of the City's SOI, as documented in the Yuba City Update of the AB 1600 Fee Justification Study, dated October 10, 2007.

Figure 2 contains the results of the FIA. As shown, new development in the City is anticipated to generate approximately \$1,162 in annual revenues per single-family unit and incur \$1,847 in annual City expenditures, for a net fiscal deficit of \$623 per single-family unit per year. The largest revenue generators are Property Taxes and Property Tax-in-Lieu of Vehicle Licensing Fees, and the largest expenditures are Police, Fire Protection, and Public Works.

¹ Prepared by New Economics & Advisory, dated August 23, 2017.

2

Summary of Annual Fiscal Impacts (\$2017)

AB 1600 Growth: Fiscal Analysis

	Fiscal Impact per Unit	
Item	Single Family	Multi-Family
General Fund Annual Revenue Projections		
Property Taxes	\$457	\$285
Property Taxes in Lieu of VLF	\$346	\$215
Sales Taxes	\$80	\$55
Prop 172 - Public Safety Aug.	\$15	\$10
Franchises	\$0	\$0
Business Licenses	\$0	\$0
Real Property Transfer Taxes	\$19	\$6
Hotel/ Motel Surcharge	\$30	\$20
Licenses & Permits	\$6	\$4
Intergovernmental	\$3	\$2
Service Fees	\$77	\$51
Interfund Transfers	\$67	\$45
Total Annual General Fund Revenues	\$1,101	\$694
General Fund Annual Expenditure Projections		
Legislative/ Administrative (Except Econ. Dev.)	\$29	\$19
Economic Development	\$0	\$0
Finance/ IT	\$96	\$64
Human Resources	\$27	\$18
Development Services	\$12	\$8
Police	\$616	\$410
Fire	\$354	\$236
Public Works	\$207	\$138
Non-Departmental	\$33	\$22
Community Services (Except Parks Maint.)	\$114	\$76
Parks Maintenance	\$63	\$63
Increased PERS Costs	\$172	\$115
Total General Fund Expenditures	\$1,724	\$1,170
<hr/>		
Net Impact (Revenues Less Expenditures)	(\$623)	(\$476)

[1] The fiscal impact analysis also studies non-residential development categories, but they are not shown here because the CFD focuses only on residential development.

Prepared by New Economics & Advisory, August 2017.

3. Proposed Maximum Special Tax

As a matter of policy--to ensure that development is not overburdened by additional taxes/ assessments that would impede its ability to be competitive in the surrounding market area--the City has chosen to set the maximum special tax rates at \$425 per single-family unit. To set a corresponding multi-family rate, New Economics applied the differential between single-family and multifamily impacts on a per-unit basis in the FIA as an adjustment factor. Therefore, the multi-family rate is set at \$310 per unit, which is 76 percent of the single-family rate, as shown in **Figure 3**.

3 *CFD Rates by Land Use Type* *Yuba City Services CFD*

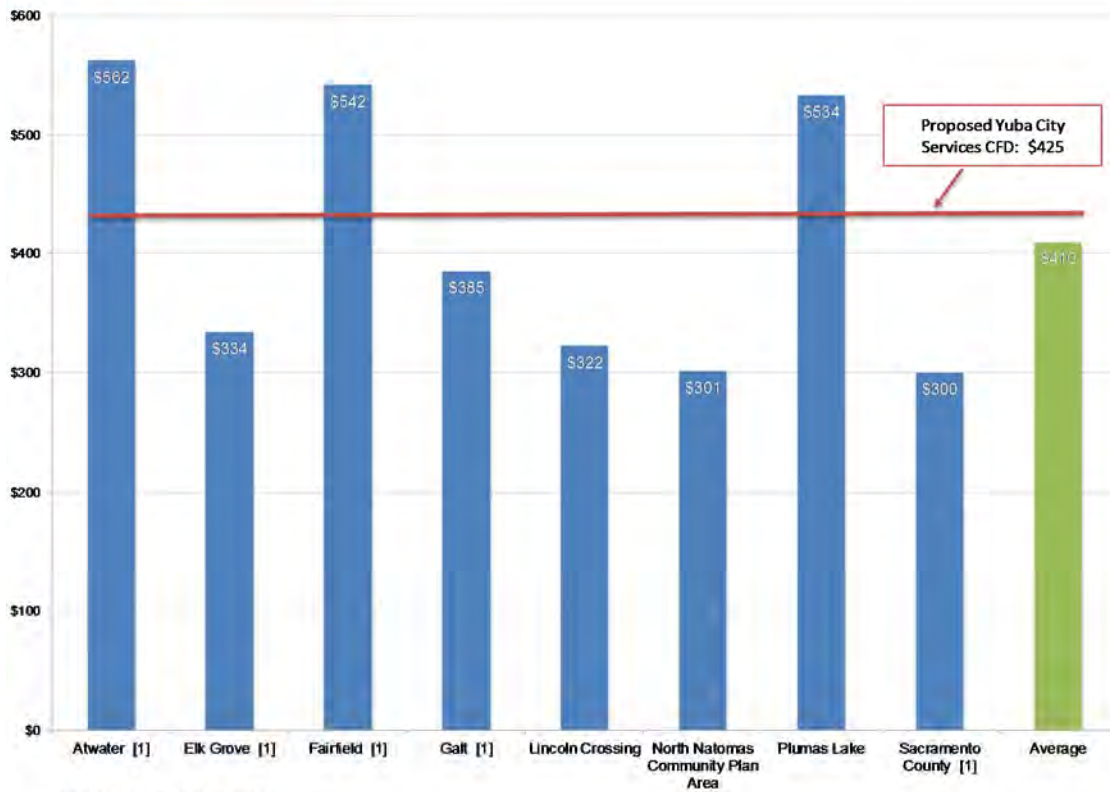
<u>Land Use Type</u>	<u>Rate</u>
Single Family	\$425
Multi-Family [1]	\$310

[1] Multi-family rates are set at 76 percent of single family;
based on the results of the Citywide Fiscal Impact Analysis.

Prepared by New Economics & Advisory, August 2017.

As a point of comparison, **Figure 4** shows the maximum special tax rates for various CFDs for services in nearby communities. As shown, single-family rates range from \$300 to \$562 annually, with an average of \$410. At \$425, CFD No. 2017-1 is near the average of CFD rates in for Services CFDs in select communities elsewhere in Northern California.

4 **Comparable Services CFD Amounts (Per SF Unit)**
Yuba City Services CFD



[1] Rates shown are from 2007.

Note: In addition to the rates shown above, many cities in the Sacramento region utilize CFDs for services, which can range from \$200 to \$1,000 per year.

Prepared by New Economics & Advisory, July 2017.

4. Structure of the Proposed CFD

Description of the Community Facilities District

Special taxes within the CFD will be levied according to the Rate and Method of Apportionment of Special Tax (the "Tax Formula"). The attached exhibits contain the formation documents for CFD No. 2017-1. **Exhibit A** contains the list of authorized services to be funded by CFD No. 2017-1 **Exhibit B** is the Rate and Method of Apportionment. The purpose of CFD No. 2017-1 is to provide funding for the annual costs of authorized CFD services.

Determination of Parcels Subject to Special Tax

The City shall prepare a list of parcels subject to the Special Tax using the records of the City of Yuba City and the County Assessor. The City will tax all parcels within CFD No. 2017-1 except those that are declared tax-exempt.

Termination of Special Tax

The special tax will be levied and collected in perpetuity.

Setting the Annual Maximum Tax Rate

The maximum annual special tax is set at \$425 per single family unit and \$310 per multi-family unit in the Base Year of FY 2016/17. The maximum annual special tax will escalate at no more than 4 percent starting on July 1, 2018, and each year thereafter. The annual escalation factor will be equal to the percentage escalation of the City's combined Police and Fire Department budgets from the previous fiscal year, up to the 4 percent maximum.

Prepayment of Special Tax Obligation

Prepayment of special taxes for services is not permitted.

Manner of Collection

The special tax will be collected in the same manner and at the same time as ad valorem property taxes. At the City's option, the special taxes may be billed directly to property owners.

Annexation

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.

Exhibit A: List of Authorized Services

EXHIBIT A
List of Authorized Services
COMMUNITY FACILITIES DISTRICT NO. 2017-1 (MUNICIPAL SERVICES)
CITY OF YUBA CITY, SUTTER COUNTY, CALIFORNIA

The Community Facilities District No. 2017-1 (Municipal Services) (the "CFD") shall include the City services authorized under Section 53313 of the Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the "Act"), which include the following services, to the extent that such services are in addition to those provided in the territory of the CFD before the CFD was created (or, as to territory which may be annexed to the CFD, before such territory was annexed to the CFD).

Services to be funded by CFD No. 2017-1 shall include:

- (a) Police protection services.
- (b) Fire protection and suppression services, and 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 operation and maintenance of storm drainage systems, and sandstorm protection systems.
- (e) Services with respect to 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.
- (g) Costs incurred by the City and/ or County in formation of the district and annual contract administration.

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

Exhibit B: Rate and Method of Apportionment

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.

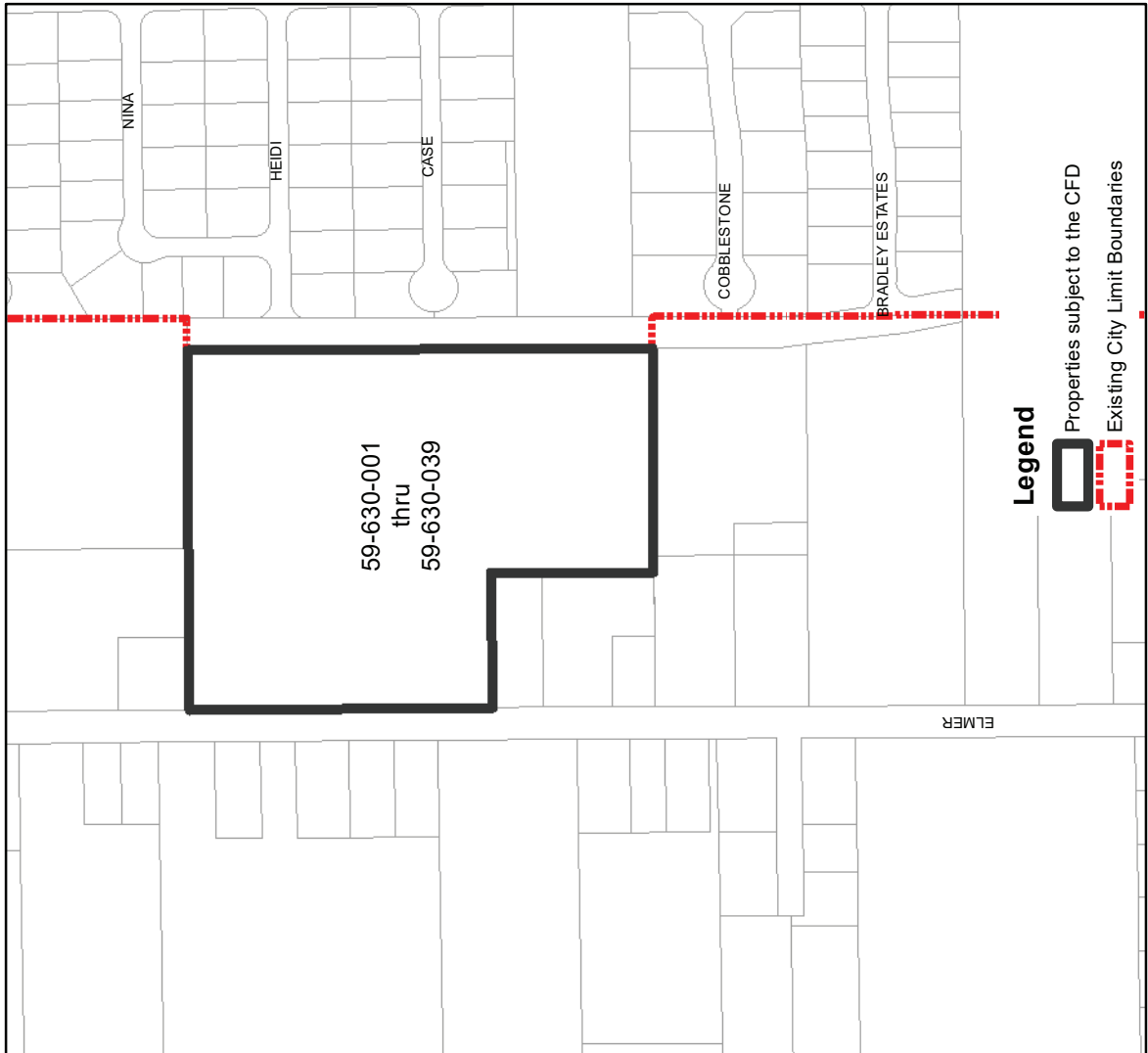
H. Term

The Special Tax shall be collected in perpetuity.

Exhibit C: Map of Parcels Within CFD Boundary

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

CITY OF YUBA CITY
SUTTER COUNTY, STATE OF CALIFORNIA



Filed in the Office of the Sutter County Recorder this _____ day of _____, 2017.

Terrel Locke, Deputy City Clerk
City of Yuba City
Sutter County
State of California

I hereby certify that the within map showing proposed boundaries of CFD No. 2017-1 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 _____, 2017, by its Resolution No. _____.

Terrel Locke, Deputy City Clerk
City of Yuba City
Sutter County
State of California

Filed this _____ day of _____, 2017, 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

August 23, 2017

