

**RESOLUTION NO. 2005-109**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY  
DECLARING ITS INTENTION TO ESTABLISH A COMMUNITY  
FACILITIES DISTRICT AND TO AUTHORIZE THE LEVY OF  
SPECIAL TAXES PURSUANT TO THE MELLO-ROOS COMMUNITY  
FACILITIES ACT OF 1982**

RESOLVED, by the City Council (the "Council") of the City of Reedley (the "City"), as follows:

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 et seq. of the California Government Code (the "Law"), this Council may commence proceedings for the establishment of a community facilities district, and this Council now desires to commence proceedings to establish a community facilities district (the "District") to finance public safety, fire protection services and park maintenance services in developing areas of the City as described herein; and

WHEREAS, under the Law, this Council is the legislative body for the proposed District and is empowered with the authority to establish the District and levy special taxes within the District; and

WHEREAS, this Council now desires to proceed with the actions necessary to consider the establishment of the District.

NOW, THEREFORE, it is hereby FOUND, DETERMINED and ORDERED by the City Council of the City of Reedley, as follows:

*Section 1.* This Council proposes to begin the proceedings necessary to establish the District pursuant to the Law.

*Section 2.* The name proposed for the District is City of Reedley Community Facilities District No. 2005-1 (Public Services).

*Section 3.* The proposed boundaries of the District are as shown on the map of the District on file with the City Clerk, which boundaries are hereby preliminarily approved. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the District in the office of the County Recorder as soon as practicable after the adoption of this Resolution.

*Section 4.* The type of services proposed to be funded by the District and pursuant to the Law shall consist of those services described on Exhibit A hereto which Exhibit is by this reference incorporated herein (the "Services").

*Section 5.* Except to the extent that funds are otherwise available to the District to pay for the Services and the administrative expenses of the District, a special tax sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real

property in the District, will be levied annually within the District and collected in the same manner as ordinary ad valorem property taxes or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the special tax among the parcels of real property within the District, in sufficient detail to allow each landowner within the proposed District to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto which Exhibit is by this reference incorporated herein.

This Council finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the California Government Code (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the District.

**Section 6.** The levy of said proposed special tax shall be subject to the approval of the qualified electors of the District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed District, with each owner having one vote for each acre or portion of an acre of land such owner owns in the District.

*Section 7.* Except as may otherwise be provided by law or the rate and method of apportionment of the special tax for the District, all lands owned by any public entity, including the United States, the State of California, the City and/or any departments or political subdivisions of any thereof, shall be omitted from the levy of the special tax to be made to cover the costs and expenses of the Services and any expenses of the District.

*Section 8.* The City Manager of the City or his designee is hereby directed to study the proposed CFD and the Services and to make, or cause to be made, and file with the City Clerk a report in writing, presenting the following:

- (a) A brief description of the Services.
- (b) An estimate of the fair and reasonable cost of providing the Services, including the incidental expenses in connection therewith, including any City administration costs and all other related costs.

Said report shall be made a part of the record of the public hearing provided for below.

*Section 9.* Tuesday, November 8, 2005, at 7:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this Council, 845 G Street, Reedley, California, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the District, will conduct a public hearing on the establishment of the District and consider and finally determine whether the public interest, convenience and necessity require the formation of the District and the levy of said special tax.

*Section 10.* The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper published in the area of the District. The publication of said notice shall be completed at least seven days before the date herein set for said hearing. Said notice shall be substantially in the form of Exhibit C hereto.

Section 11. The firm of Berryman & Henigar, Inc is hereby designated as special tax consultant, respectively, to the City for the District. The City Manager is hereby authorized to execute agreements with said firm for their services related to the District, in forms acceptable to City Manager.

PASSED, APPROVED AND ADOPTED this 27th day of September, 2005, by the following vote:

AYES: Brockett, Rapada, Betancourt, Ikemiya, Soleno.

NOES: None.

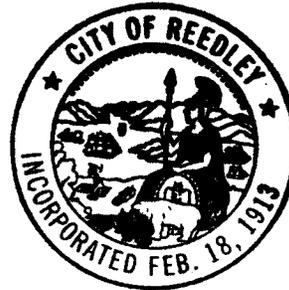
ABSTAIN: None.

ABSENT: None.

15/  
Ray Soleno, Mayor

ATTEST:

Elizabeth Vines  
Elizabeth Vines, City Clerk



## EXHIBIT A

### CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SAFETY/FIRE PROTECTION SERVICES & PARK MAINTENANCE)

#### DESCRIPTION OF SERVICES TO BE FINANCED BY THE DISTRICT

##### Services:

The services to be financed include all direct and incidental costs related to providing public services for public safety and park maintenance. The first priority being fire and emergency medical service, then police and public safety, and finally park maintenance costs. More specifically: (i) fire protection and suppression services; (ii) emergency medical services including first responder services; (iii) community information with regard to public safety; (iv) earthquake and other emergency relief programs; (v) other public safety services, including police protection services, authorized to be funded under Section 53313(a) or (b) of the Act; (vi) park operation and maintenance expenses; and, (vii) repair and replacement of park facilities. Any services to be financed by the District must be in addition to those provided in the territory of the District before the date of creation of the District, and may not supplant services already available within the territory when the District is created. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

##### Administrative Expenses:

The direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County related to the District or the collection of special taxes, an allocable share of the salaries of the City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from their general fund with respect to the District or the services authorized to be financed by the District, and expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the District.

##### Other:

The incidental expenses that may be financed by the District include: (i) all costs associated with the establishment and administration of the District, the determination of the amount of and collection of taxes, the payment of taxes, and costs otherwise incurred in order to carry out the authorized purposes of the District, (ii) any other expenses incidental to the provision of the services eligible to be funded by the District, and (iii) any amounts necessary to maintain a reserve required by the City for the payment of costs and services.

EXHIBIT B

CITY OF REEDLEY  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(PUBLIC SAFETY/FIRE PROTECTION SERVICES & PARK MAINTENANCE)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A special tax shall be levied annually on each Parcel of land within the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), and collected according to the Special Tax Liability determined by the City Council of the City of Reedley (the "City") or its designee through the application of the following procedures. All of the property within the District, unless otherwise exempted by law or the express provisions of the rate and method of apportionment expressed below, shall be taxed to the extent and in the manner provided below.

It is intended that all special taxes applicable to parcels be collected in the same manner and at the same time as ordinary ad valorem property taxes, and that special taxes so levied will be subject to the same penalties and procedures, sale and lien priority in case of delinquency as is provided for ad valorem taxes. Notwithstanding the foregoing, the City Council may direct the collection of the special taxes by direct billing of the affected property owners; it determines to do so by resolution of the City Council.

**Categories of Special Taxes**

**Category I**

Category I includes each Developed Parcel within the District for which a building permit has been issued prior to July 1 of the current Fiscal Year.

The Maximum Special Tax that may be levied annually on Taxable Property in Category I beginning with the Fiscal starting July 1, 2006 is as set forth in Table 1 below. Said Maximum Special Tax shall increase each Fiscal Year thereafter by an inflation factor which is the Annual All Urban Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area.

<b>TABLE 1</b>	
<b>Maximum Special Tax Fiscal Year 2006-07</b>	
<b>Category I</b>	
<b>Special Tax Per Dwelling Unit/Acre</b>	
<b>Development Type</b>	<b>Special Tax Rate</b>
Single Family Residential (per dwelling unit)	\$740.00
Multi-Family Residential (per dwelling unit)	\$550.00
Non-Residential (per gross building square foot)	\$0.20

Affordable Housing (per dwelling unit)	\$370.00
Infill Non-Residential (per building square foot)	\$0.10

**Category II**

Category II includes each Parcel within the District that are not included in Category I.

The Maximum Special Tax that may be levied annually on Taxable Property in Category II beginning with the Fiscal Year starting July 1, 2006 as set forth in Table 2 below per Net Developable Acre (said amount to be levied pro-rata for any portion of an acre). Said special tax shall increase each Fiscal Year thereafter by an inflation factor which is the Annual All Urban Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area.

<b>TABLE 2</b>
<b>Maximum Special Tax Fiscal Year 2006-07</b>
<b>Category II</b>
<b>Special Tax Per Net Developable Acre</b>
<b>\$600.00 per acre</b>

**Exempt Category**

Each parcel owned by a public agency, right-of-way parcels, pipelines, common areas, private streets and parks, and open space lots not eligible for development shall be exempt from the levy of Special Tax.

**Assignment to Categories and Levy of Annual Taxes**

On or about July 1 of each year, but in any event in sufficient time to include the levy of the special taxes on the County's secured tax roll, the City Council or its designee shall determine the Tax Category for each Parcel within the District. Parcels subject to levy shall be determined based upon the records of the City building department and/or the Fresno County Assessor.

The City Council or its designee shall then determine the estimated Special Tax Liability for the Fiscal Year commencing such July 1 and the amount of special taxes to be levied on each Parcel as follows:

- Step 1:** Classify all Parcels that are Taxable Property in the District.
- Step 2:** Determine the maximum revenue which could be generated by Parcels classified as Category I by multiplying the total number of Dwelling Units for Developed Parcels classified as "Single Family Residential" by the Maximum Special Tax per Dwelling Unit for Parcels assigned to the Single Family Residential Category; and adding to that maximum revenue which could be generated by multiplying the total number of

Dwelling Units for Developed Parcels classified as "Multi-Family Residential" by the Maximum Special Tax per Dwelling Unit for Parcels assigned to the Multi-Family Residential Category; and adding to that maximum revenue which could be generated by multiplying the total number of Dwelling Units for Developed Parcels classified as "Affordable Housing" by the Maximum Special Tax per Dwelling Unit for Parcels assigned to the Affordable Housing Category; and adding to that the maximum revenue which could be generated by multiplying the total net developable acreage for Developed Parcels classified as "Non-Residential" by the Maximum Special Tax per gross building square foot for Parcels assigned to the Non-Residential Category; and adding to that the maximum revenue which could be generated by multiplying the total net developable acreage for Developed Parcels classified as "Infill Non-Residential" by the Maximum Special Tax per gross building square foot for Parcels assigned to the Infill Non-Residential Category.

**Step 3:** If the total revenue as calculated in Step 2 is greater than the Estimated Special Tax Liability for the Fiscal Year, reduce the Special Tax for each Parcel proportionately so that the special tax levy for the Fiscal Year is equal to the estimated Special Tax Liability for the Fiscal Year.

**Step 4:** If the total revenue as calculated in Step 2 is less than the estimated Special Tax Liability for the applicable Fiscal Year, including the funding of a reserve fund for the District equal to 100% of the estimated annual costs, a Special Tax shall be levied upon each Parcel classified as Category II. The annual Category II special tax shall be calculated as the lesser of:

(i) The estimated Special Tax Liability, less the total of funds generated for all Parcels under Step 2 above, divided by the total Net Developable Acreage for all Parcels assigned to Category II

or

(ii) the aggregate Maximum Special Tax Rate for all Parcels assigned to Category II

Notwithstanding the foregoing, in no event shall the aggregate Special Tax levied upon all Parcels for any given year be greater than the estimated Special Tax Liability, including a reserve fund equal to 100% of the estimated annual costs for the District, as determined by the City Council or its designee.

## DEFINITIONS

**Administrative Expenses** means any or all of the following: the direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the Special Taxes) including the fees and expenses of attorneys, any fees of the County related to the District or the collection of special taxes, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the District, and expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the District.

**Affordable Housing** means a dwelling unit that has been obligated by covenant to affordable housing for 25 or more years. If the covenant is released the property will be reclassified accordingly.

**City** means the City of Reedley.

**County** means the County of Fresno.

**Developed Parcel** means Taxable Property for which a foundation building permit or other form of building permit has been issued as of July 1 of the current Fiscal Year.

**District** means the City of Reedley Community Facilities District No. 2005-1 (Public Services).

**Dwelling Unit** means one single family home whether detached or attached and for multi-family structures means each unit designated for one-family occupancy.

**Final Map** means a recorded tract map or parcel map.

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

**Gross Acre or Gross Acreage** is the acreage as shown on the County Assessor's parcel maps or if not shown on the Assessor's parcel maps the land area shown on the applicable recorded final map or other recorded documents.

**Gross Building Square Foot or Gross Building Square Footage** is the building square footage as shown on the building permit or other recorded documents on file with the City and/or County.

**Infill Non-Residential** developing or redeveloping parcels located within the City limits as of July 1, 2005 and classified as a non-residential use.

**Maximum Special Tax** means the maximum special tax that can be levied within the District by the City Council in any Fiscal Year for each parcel of real property subject to the

special tax, as determined by reference to the provisions of this rate and method of apportionment of special taxes.

**Multi-Family Dwelling Unit (i.e. apartment unit)** means a dwelling unit in a multi-family development.

**Net Developable Acre or Net Developable Acreage** means the acreage as shown on a recorded final map for a parcel, or as otherwise determined by the City by reference to other applicable documents.

**Non-Residential** means a building designated for a use other than residential.

**Parcel** means any Fresno County Assessor's Parcel or portion thereof that is within the boundaries of the District based on the equalized tax rolls of the County.

**Public Parcel** means any parcel owned by a public entity.

**Reserve Fund** means a reserve operating fund maintained to provide necessary cash flow for operations for the first six months of each Fiscal Year and a reasonable buffer, as determined by the City, against large variations in annual special tax amounts.

**Single Family Dwelling Unit** means a dwelling unit in a single family detached or single family attached building including a single family home, individual condominium, or town home.

**Special Tax** means the special tax or special taxes authorized to be levied within the District.

**Special Tax Liability** for any Fiscal Year is an amount sufficient to pay the costs of the District for each Fiscal Year, to include: (i) estimated costs of providing eligible services, and (ii) funding of the Reserve Fund.

**Taxable Property** is all real property within the boundaries of the District which is not exempt from the Special Tax pursuant to the law, except that the following property shall not be taxed: any acres of land owned, conveyed or irrevocably offered for dedication to a public agency, or land which is a public right of way or which is an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement, or other property described under the heading "Exempt Category" above.

A special tax shall be levied annually on each Parcel of land within the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), and collected according to the Special Tax Liability determined by the City Council of the City of Reedley (the "City") or its designee through the application of the following procedures. All of the property within the District, unless otherwise exempted by law or the express provisions of the rate and method of apportionment expressed below, shall be taxed to the extent and in the manner provided below.

EXHIBIT C

CITY OF REEDLEY  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(PUBLIC SAFETY/FIRE PROTECTION SERVICES & PARK MAINTENANCE)

NOTICE OF PUBLIC HEARING

Notice is hereby given that on September 27, 2005, the City Council of the City of Reedley adopted a Resolution entitled "A Resolution of the City Council of the City of Reedley Declaring Its Intention To Establish A Community Facilities District And To Authorize The Levy Of Special Taxes Pursuant To The Mello-Roos Community Facilities Act of 1982". Pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Law") the City Council of the City of Reedley hereby gives notice as follows:

A. The text of said Resolution of Intention is as follows:

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 et seq. of the California Government Code (the "Law"), this Council may commence proceedings for the establishment of a community facilities district, and this Council now desires to commence proceedings to establish a community facilities district (the "District") to finance public safety, fire protection services and park maintenance services in developing areas of the City as described herein; and

WHEREAS, under the Law, this Council is the legislative body for the proposed District and is empowered with the authority to establish the District and levy special taxes within the District; and

WHEREAS, this Council now desires to proceed with the actions necessary to consider the establishment of the District.

NOW, THEREFORE, it is hereby FOUND, DETERMINED and ORDERED by the City Council of the City of Reedley, as follows:

*Section 1.* This Council proposes to begin the proceedings necessary to establish the District pursuant to the Law.

*Section 2.* The name proposed for the District is City of Reedley Community Facilities District No. 2005-1 (Public Services).

*Section 3.* The proposed boundaries of the District are as shown on the map of the District on file with the City Clerk, which boundaries are hereby preliminarily approved. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the District in the office of the County Recorder as soon as practicable after the adoption of this Resolution.

*Section 4.* The type of services proposed to be funded by the District and pursuant to the Law shall consist of those services described on Exhibit A hereto which Exhibit is by this reference incorporated herein (the "Services").

*Section 5.* Except to the extent that funds are otherwise available to the District to pay for the Services and the administrative expenses of the District, a special tax sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the District, will be levied annually within the District and collected in the same manner as ordinary ad valorem property taxes or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the special tax among the parcels of real property within the District, in sufficient detail to allow each landowner within the proposed District to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto which Exhibit is by this reference incorporated herein.

This Council finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the California Government Code (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the District.

*Section 6.* The levy of said proposed special tax shall be subject to the approval of the qualified electors of the District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed District, with each owner having one vote for each acre or portion of an acre of land such owner owns in the District.

*Section 7.* Except as may otherwise be provided by law or the rate and method of apportionment of the special tax for the District, all lands owned by any public entity, including the United States, the State of California, the City and/or any departments or political subdivisions of any thereof, shall be omitted from the levy of the special tax to be made to cover the costs and expenses of the Services and any expenses of the District.

*Section 8.* The City Manager of the City or his designee is hereby directed to study the proposed CFD and the Services and to make, or cause to be made, and file with the City Clerk a report in writing, presenting the following:

- (a) A brief description of the Services.
- (b) An estimate of the fair and reasonable cost of providing the Services, including the incidental expenses in connection therewith, including any City administration costs and all other related costs.

Said report shall be made a part of the record of the public hearing provided for below.

*Section 9.* Tuesday, November 8, 2005, at 7:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this Council, 845 G Street, Reedley, California, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the District, will conduct a public hearing on the establishment

