



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

June 13, 2017

SUBJECT: Consider adopting a Resolution Approving Annexation No. 1 to Community Facilities District No. 2015-1; Establishing a Special Tax for the Annexed Area; and Authorizing and Directing the Preparation and Recording of an Amended Notice of Special Tax Lien Relating Thereto

PREPARED BY: Greg Greeson, City Manager
Rex Miller, Finance Director

Recommendation

Staff recommends Council adopt the attached Resolution Approving Annexation No. 1 to Community Facilities District No. 2015-1; Establishing a Special Tax for the Annexed Area; and Authorizing and Directing the Preparation and Recording of an Amended Notice of Special Tax Lien Relating Thereto.

Background/Discussion

In 2015, the Wheatland City Council adopted formation documents establishing Community Facilities District (CFD) No. 2015-1 (Wheatland Public Services), authorizing the levy of a special tax on properties in the Heritage Oaks Estates – East project, for the purpose of paying a portion of the cost of City police services, fire protection and suppression services, ambulance and paramedic services, maintenance of roads and roadways, storm protection services, maintenance of parks and landscaping in public areas and other public services. The CFD was structured to initially include Heritage Oaks Estates - East and also to allow other future development projects to be annexed to the CFD.

Caliterra Ranch is a five-hundred and fifty-two (552) unit single-family residential development project owned by Dale Investments, LLC. The development project is moving forward with entitlement documents, having received tentative map approval earlier this year. City staff expects the developer to submit its first final map later this year. One of the conditions of the Development Agreement applicable to this property is that the property be included in a CFD and that a special tax be established (with the Developer's vote in support) for the purpose of funding City services and maintenance obligations.

City staff and its consultants have calculated an initial (FY 2016-17) annual special tax of seven-hundred twenty-five dollars (\$725) per single family residential unit. The special tax will be increased annually by the greater of the increase in the Consumer Price Index or four percent (4%).

Dale Investments, LLC has submitted its Unanimous Approval of annexation to Community Facilities District No. 2015-1 (Wheatland Public Services), constituting the unanimous vote by the property owner in favor of annexation of the property to the CFD (attached as Exhibit 1).

Adoption of the proposed resolution would approve the First Amendment to Notice of Special Tax Lien – City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services), including Supplement No. 1 (Tax Zone No. 2) to the Rate and Method of Apportionment of Special Tax, which annexes the property and establishes the special tax for the Caliterra Ranch development project, as Annexation No. 1 to CFD 2015-1 (Exhibit 2).

FISCAL IMPACT

Annexation of the Caliterra Ranch property to CFD 2015-1, Wheatland Public Services, will create a special tax, initially at a rate of \$725 per single family property, adjusted annually by an escalation factor, beginning on July 1, 2017. At full build-out of the 552 residential units, the special tax would generate \$400,200 annually (in FY 2016-17 unescalated dollars) to pay a portion of the cost of City police services, fire protection and suppression services, ambulance and paramedic services, maintenance of roads and roadways, storm protection services, maintenance of parks and landscaping in public areas and other public services.

Attachments

1. Resolution No. ___ Approving Annexation No. 1 to Community Facilities District No. 2015-1; Establishing A Special Tax for the Annexed Area; and Authorizing and Directing the Preparation and Recording of an Amended Notice of Special Tax Lien Relating Therefo
2. Exhibit 1: Unanimous Approval of Annexation to a Community Facilities District and Related Matters
3. Exhibit 2: First Amendment to Notice of Special Tax Lien – City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services), including Supplement No. 1 (Tax Zone No. 2) to the Rate and Method of Apportionment of Special Tax

RESOLUTION NO. _____

RESOLUTION APPROVING ANNEXATION NO. 1 TO COMMUNITY FACILITIES DISTRICT NO. 2015-1; ESTABLISHING A SPECIAL TAX FOR THE ANNEXED AREA; AND AUTHORIZING AND DIRECTING THE PREPARATION AND RECORDING OF AN AMENDED NOTICE OF SPECIAL TAX LIEN RELATING THERETO

**CITY OF WHEATLAND
Community Facilities District No. 2015-1
(Wheatland Public Services)**

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, sections 53311, *et. seq.*, of the California Government Code (the "Act"), on January 27, 2015, this City Council (the "City Council") of the City of Wheatland (the "City"), adopted its resolution entitled "Resolution of Intention to Establish Community Facilities District" (the "Resolution of Intention"), and has conducted proceedings (the "Proceedings") to establish "City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services)" (the "CFD") and a future annexation area (the "Future Annexation Area") pursuant to the Mello-Roos Community Facilities Act, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act") to finance certain municipal services (the "Services) as provided in the Act;

WHEREAS, pursuant to notice as specified in the Act, and as part of the Proceedings, the Council has held a public hearing under the Act relative to the determination to proceed with the formation of the CFD and the Future Annexation Area and the rate and method of apportionment (the "RMA") of the special tax ("Special Tax") to be levied within the CFD to finance the Services, and at such hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the Future Annexation Area and the levy of the Special Tax were heard, substantial evidence was presented and considered by this Council and a full and fair hearing was held;

WHEREAS, upon the conclusion of the hearing, this Council adopted its "Resolution of Formation of Community Facilities District" (the "Resolution of Formation), pursuant to which it completed the Proceedings for the establishment of the CFD and the Future Annexation Area, the authorization of the levy of the Special Tax within the CFD and the calling of an election within the CFD on the propositions of levying the Special Tax and establishing an appropriations limit within the CFD, respectively; and

WHEREAS, in accordance with the provisions of Sections 53339 through 53339.9, inclusive, of the Act (the "Annexation Provisions"), pertaining to annexation of property to a community facilities district, Dale Investments, LLC, a California limited liability company has submitted to the City the executed form entitled "Unanimous Approval of Annexation" (the "Unanimous Approval"), requesting the annexation of the parcels owned by said landowner (the "Subject Property") into the CFD and voting in favor of authorizing the levy of the special tax on the Subject Property; and

WHEREAS, the RMA allows annexed property to be subject to a Special Tax which is different from the Special Tax established for other land within the CFD, and the Unanimous Approval also requested that the RMA be supplemented to add Tax Zone 2 to the Tax Zones authorized to be established under the RMA, and that a Special Tax applicable only to land with Tax Zone 2 be established; and

WHEREAS, this City Council wishes by this resolution to approve the annexation of the Subject Property into the CFD and the supplementing of the RMA to establish a particular Special Tax with respect to the Subject Property, without hearing, as authorized by the Annexation Provisions and the RMA and as requested by the Unanimous Approval; to establish Tax Zone 2 as part of the RMA and to be applicable to the Subject Property; and to authorize and direct the preparation and recordation of an amended notice of special tax lien pertaining to the Subject Property;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHEATLAND as follows:

Section 1. The foregoing recitals are true and correct, and this City Council hereby expressly so finds and determines.

Section 2. This City Council hereby approves the annexation of the Subject Property to the CFD.

Section 3. This City Council hereby approves Supplement No. 1 establishing Tax Zone 2 and the establishment of the Subject Property as within Tax Zone 2.

Section 4. Upon adoption of this resolution, the Subject Property shall be subject to the levy of the special tax of the CFD in accordance with the RMA, as supplemented by Supplement No. 1.

Section 5 This City Council hereby authorizes and directs the City Clerk to cause the preparation and recordation of an amended notice of special tax lien pertaining to the Subject Property in the official records of the County Recorder in accordance with the provisions of Section 53339.8 of the Act.

Section 6. Effective Date. This resolution shall take effect upon its adoption.

* * * * *

The foregoing Resolution _____ was adopted by the Wheatland City Council on the ___th day of _____, 2017, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

By: _____
Mayor

ATTEST:

City Clerk

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

**CITY OF WHEATLAND
Community Facilities District No. 2015-1
(Wheatland Public Services)**

June 7, 2017

To the Honorable City Council,
City of Wheatland
111 C Street
Wheatland, CA 95697

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 annexation of the Property to the "City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services)" (the "CFD"), and it states 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.

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 (the "Services") described in Exhibit A hereto and made a part hereof.

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, according to the Rate and Method of Apportionment of Special Taxes, including Supplement No. 1 thereto ("RMA") for the CFD attached hereto as Exhibit B and made a part hereof. The Property requested to be added to the CFD shall be placed in Tax Zone 2, as such term is defined in the RMA and described in Supplement No. 1 to the RMA, which Tax Zone is created in connection with the annexation requested hereby.

4. Waivers and Vote. The Property Owner hereby confirms that this Unanimous Approval constitutes its approval and unanimous vote as described herein and as contemplated by Section 53339.3 et seq. of the Act and Article XIII A of the California Constitution. 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 and the other matters covered in this Unanimous Approval.

5. 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 Yuba, State of California on April 7, 2015 as Document No. 2015-003657. The Property Owner hereby authorizes and directs the City Clerk to execute and cause to be recorded in the office of the County Recorder of the County of Yuba 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 and will amend the Notice of Special Tax Lien only by adding the assessor parcel number of the Property and the name of the Property Owner to Exhibit C to the Notice of Special Tax Lien.

6. 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 mandated by the City for the annexation of the Property to the CFD shall not constitute or be construed as 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.

7. 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 about the Special Taxes to purchasers of the Property or any part of it.

8. 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.

9. **The Property.** The Property, comprising 2 parcels, is identified as follows:

Parcel 1:

Assessor's Parcel No. 015-180-074

Property Address: 1438 Oakley Lane, Wheatland, California

Acres: 114.38

Parcel 2:

Assessor's Parcel No. 015-180-079

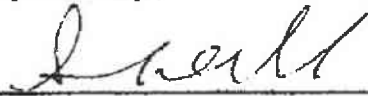
Property Address: 1503 Oakley Lane, Wheatland, California

Acres: 75.62

By executing this Unanimous Approval, the Property Owner agrees to all of the above.

PROPERTY OWNER

Dale Investments, LLC, a California limited liability company,

By: 

Name: Sundeep S. Dale

Its: Member

Address: P.O. Box 272
Yuba City, California 95992

(attach acknowledgment)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Sutter

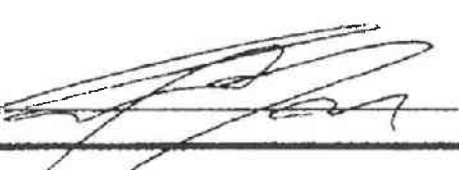
On 6/7/2017 before me, Sunil Tumber, Notary Public
(insert name and title of the officer)

personally appeared Sundeep Dale
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)

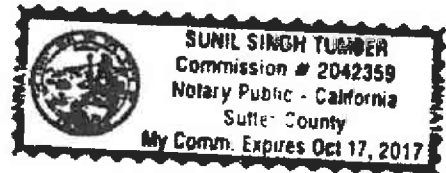


EXHIBIT A

CITY OF WHEATLAND Community Facilities District No. 2015-1 (Wheatland Public Services)

DESCRIPTION OF SERVICES AUTHORIZED IN THE CFD

The services to be funded, in whole or in part, by the Wheatland Public Services Community Facilities District (CFD) include all direct and incidental costs related to providing public services and maintenance, operation, repair, or replacement of public infrastructure within the Wheatland area, including the area initially included in the CFD, as well as any future annexation area of the CFD and areas adjacent to the foregoing. More specifically, the services may include, but not be limited to: (i) police protection services; (ii) fire protection and suppression services; (iii) ambulance and paramedic services; (iv) maintenance of roads and roadways (including Highway 65), with services to include, but not be limited to, regularly scheduled street sweeping, repair of public streets, striping of streets, operation and maintenance of traffic signals and street lights, and repair and repainting of sound walls and other appurtenances; (v) storm protection services, including, but not limited to, the operation and maintenance, repair, and replacement of storm drainage systems; (vi) maintenance, repair, and replacement of parks and landscaping in public areas and in the public right of way along public streets, including, but not limited to, irrigation, tree trimming, mowing, hardscape and related equipment maintenance, and vegetation maintenance and control; and (vii) any other public services authorized to be funded under Section 53313 of the California Government Code that are not already funded by another community facilities district on the property within the CFD.

The CFD may fund any of the following related to the services described in the preceding paragraph: (i) obtaining, constructing, furnishing, operating, maintaining, repairing, and replacing equipment, apparatus, or facilities related to providing the services and/or equipment, apparatus, facilities, or fixtures in areas to be maintained; (ii) paying the salaries and benefits, or consultant fees, of personnel necessary or convenient to provide the services; (iii) payment of insurance costs and other related expenses; and (iv) the provision of reserves for repairs and replacements and for the future provision of services. The services to be financed by the CFD are in addition to those provided in the territory of the CFD before the date of formation of the CFD and will not supplant services already available within that territory when the CFD is created.

ADMINISTRATIVE EXPENSES

The administrative expenses to be funded by the CFD include the direct and indirect expenses incurred by the City of Wheatland (City) in carrying out its duties with respect to the CFD including, but not limited to: (i) the levy and collection of the special taxes; (ii) the fees and expenses of attorneys; (iii) any fees of the County of Yuba related to the CFD or the collection of special taxes; (iv) an allocable share of the salaries and benefits of any City staff, or consultant fees, directly related thereto and a proportionate amount of the City's general administrative overhead related thereto; (v) any amounts paid by the City from its general fund with respect to the CFD or the services authorized to be financed by the CFD; (vi) expenses incurred by the

City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent; and (vii) all other costs and expenses of the City in any way related to the CFD.

OTHER

The incidental expenses that may be funded by the CFD include, in addition to the administrative expenses identified above, the payment or reimbursement to the CFD of all costs associated with the establishment and ongoing administration of the CFD.

EXHIBIT B

CITY OF WHEATLAND COMMUNITY FACILITIES DISTRICT NO. 2015-1 (WHEATLAND PUBLIC SERVICES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in the City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services) shall be levied and collected according to the tax liability determined by the City Council or its designee, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless the City Council adopts and the owners of the annexed land unanimously approve a separate rate and method of apportionment of Special Tax for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: expenses of the City in carrying out its duties with respect to the CFD, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its legal counsel, costs related to annexing property into the CFD, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Taxes and this RMA, costs associated with foreclosure and collection of delinquent Special Taxes and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this RMA.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on a County Assessor's Parcel map with an assigned County Assessor's Parcel number.

“Authorized Services” means those services that are authorized to be funded by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“CFD” means the City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services).

“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 2015-1 was adopted by the City Council.

“City” means the City of Wheatland.

“City Council” means the City Council of the City of Wheatland.

“County” means the County of Yuba.

“Developed Property” means, in any Fiscal Year, the following:

- for Single Family Detached Property, all Parcels of Taxable Property for which a Final Map was recorded on or prior to June 30 of the preceding Fiscal Year
- for Multi-Family Property and Single Family Attached Property, all Parcels of Taxable Property for which a building permit for new construction of a residential structure was issued on or prior to June 30 of the preceding Fiscal Year
- for Non-Residential Property, all Parcels of Taxable Property for which a building permit for new construction of a structure was issued on or prior to June 30 of the preceding Fiscal Year.

“Escalation Factor” means, in any Fiscal Year, the greater of (i) the percentage increase from the prior Fiscal Year, if any, in the Local Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose Area for All Urban Consumers, or (ii) four percent (4%). The CPI used shall be as determined by the Bureau of Labor Statistics from April to April beginning with the period from April 2015 to April 2016.

“Final Map” means a final map, or portion thereof, approved by the City and recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq) that creates SFD Lots. The term “Final Map” shall not include any large lot subdivision map, Assessor’s Parcel map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

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

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Section C.1 below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit or use permit has been issued or is expected to be issued for construction of a

residential structure with five or more Units that share a single Assessor's Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property for which a building permit was or is expected to be issued for an office, commercial, retail, hotel, industrial, or mixed-use building, or other non-residential use, as determined by the City.

"Non-Residential Square Footage" means the net leasable square footage used by or designated for non-residential uses within a building as reflected on the condominium plan, site plan, building permit for new construction, or other such document. If a structure on a Parcel of Non-Residential Property includes Units, such Units shall be categorized and taxed as Residential Property, and the square footage of such Units shall not be counted as Non-Residential Square Footage for purposes of determining the Maximum Special Taxes pursuant to Section C below.

"Proportionately" means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property.

"Public Property" means any property within the boundaries of the CFD that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies.

"Residential Property" means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a building includes both Units and Non-Residential Square Footage, the Units within the building shall be categorized as Residential Property for purposes of this RMA.

"RMA" means this Rate and Method of Apportionment of Special Tax.

"SFD Lot" means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit was or is expected to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

"Single Family Attached Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was or is expected to be issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor's Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor's Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the unit), including such residential structures that meet the statutory definition of a condominium project contained in Civil Code Section 4125.

"Single Family Detached Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was or is expected to be issued for construction of a Unit that does

not share a common wall with another Unit. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the tax will be collected. In any Fiscal Year, the Special Tax Requirement shall be reduced by surplus amounts available (as determined by the City) from the levy of the Special Tax in prior Fiscal Years, including revenues from the collection of delinquent Special Taxes and associated penalties and interest.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the CFD which are not exempt from the Special Taxes pursuant to law or Section F below.

“Tax Zone” means a mutually exclusive geographic area within which Special Taxes may be levied pursuant to this RMA. *All of the property within CFD No. 2015-1 at the time of CFD Formation is within Tax Zone 1.* Additional Tax Zones may be created when property is annexed to the CFD, and separate Maximum Special Taxes shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such Parcels are annexed to the CFD shall be identified by Assessor’s Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels annexed into the CFD that constitutes the property owner’s approval and unanimous vote in favor of annexing into the CFD and the levy of Special Taxes against his/her Parcel or Parcels pursuant to this RMA.

“Unit” means a single family detached residential unit or an individual residential unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure.

B. DATA FOR ADMINISTRATION OF SPECIAL TAXES

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Developed Property within the CFD. The Administrator shall also determine: (i) within which Tax Zone each Parcel is located; (ii) which Parcels of Developed Property are Residential Property and Non-Residential Property; (iii) the Non-Residential Square Footage of buildings on each Parcel of Non-Residential Property; (iv) for Single Family Detached Property, the number of SFD Lots, (v) by reference to the condominium plan, site plan, or other document, the number of Units on each Parcel of Single Family Attached Property and Multi-Family Property; and (vi) the Special Tax Requirement for the Fiscal Year. To determine the square footage of each Parcel of Single Family Detached Property, the

Administrator shall reference Assessor's Parcel maps or, if the square footage is not yet designated on such maps, the small lot subdivision map recorded to create the individual lots.

In any Fiscal Year, if it is determined that: (i) a subdivision map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the subdivision map was recorded, the Assessor does not yet recognize the new parcels created by the subdivision map, and (iii) a building permit was issued on or prior to June 30 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Taxes for Units and/or Non-Residential Square Footage within the subdivided area and levy such Special Taxes on the master Parcel that was subdivided by recordation of the subdivision map.

C. MAXIMUM SPECIAL TAX

1. Special Tax, Tax Zone 1

Table 1 below identifies the Maximum Special Tax for Developed Property within Tax Zone 1; a different Maximum Special Tax may be identified for property that annexes into the CFD and is part of a separate Tax Zone.

**TABLE 1
Maximum Special Tax
Tax Zone 1**

<i>Type of Property</i>	<i>Lot Size</i>	<i>Maximum Special Tax in Tax Zone 1 (Fiscal Year 2015-16)*</i>
<u>Residential Property:</u> Single Family Detached Property Single Family Attached Property Multi-Family Property	Any Not Applicable Not Applicable	\$655.00 per SFD Lot \$0.00 per Unit \$0.00 per Unit
Non-Residential Property	Not Applicable	\$0.00 per Non-Residential Square Foot

** On July 1, 2016, and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by the Escalation Factor.*

2. Maximum Special Taxes for Mixed-Use Buildings

If, in any Fiscal Year, the Administrator determines that a Parcel of Developed Property is built or proposed to be built with both Units and Non-Residential Square Footage, the Maximum Special Tax for the Parcel shall be the sum of (i) the aggregate Maximum Special Taxes for all Units on the Parcel, and (ii) the Maximum Special Taxes determined for all of the Non-Residential Square Footage on the Parcel.

D. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for the Fiscal Year, and the Special Tax shall be levied on each Parcel of Developed Property within the CFD in the amount of either (i) the Maximum Special Tax, or (ii) the Proportionately determined percentage of the Maximum Special Tax required to generate the Special Tax Requirement, whichever is less.

E. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax may be levied and collected in perpetuity.

F. EXEMPTIONS

No Special Tax shall be levied on Public Property or any other Parcels in the CFD that are not Residential Property or Non-Residential Property, as defined herein, except as otherwise provided in the Act.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land.

**CITY OF WHEATLAND
Community Facilities District No. 2015-1
(Wheatland Public Services)**

**SUPPLEMENT NO. 1
(TAX ZONE NO. 2)
TO
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

This Supplement No. 1 (Tax Zone No. 2) to Rate and Method of Apportionment of Special Tax (this "Supplement") supplements the Rate and Method of Apportionment of Special Tax (the "Existing Rate and Method," and together with the Supplement, the "Rate and Method") for "City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services)" (the "CFD") as it applies to the property designated as Tax Zone No. 2 (the "Tax Zone") that is being annexed to the CFD for the purpose of financing certain public services (each of which constitutes a "Service" as defined in its "Resolution of Formation of Community Facilities District" adopted as Resolution No. 06-15 by the City Council of the City of Wheatland on March 10, 2015).

This Supplement supplements the Existing Rate and Method by adding new Section C.1 as described below. Section C.1 of the Existing Rate and Method shall not apply to the Tax Zone. Except as expressly set forth in this Supplement, all provisions of the Existing Rate and Method shall govern the Tax Zone.

Capitalized terms that are used but not defined in this Supplement have the meaning given them in the Existing Rate and Method.

C. MAXIMUM SPECIAL TAX

1. Special Tax, Tax Zone 2

The Maximum Special Tax for Fiscal Year 2016-17 for all Parcels of Single Family Detached Property within Tax Zone 2 shall be \$725 per SFD Lot.

On July 1, 2017, and on each July 1 thereafter, the Maximum Special Tax shall be increased by the Escalation Factor.

**RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:**

City Clerk
City of Wheatland
111 C Street
Wheatland, CA 95697

**FIRST AMENDMENT TO
NOTICE OF SPECIAL TAX LIEN**

**CITY OF WHEATLAND
Community Facilities District No. 2015-1
(Wheatland Public Services)**

Annexation No. 1

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended, section 53311, *et. seq.*, of the California Government Code (the "Act"), the undersigned City Clerk of the City of Wheatland (the "City"), County of Yuba, State of California, hereby gives notice that a lien to secure payment of a special tax, which the City is authorized to levy, is hereby imposed on the property described herein. The special tax secured by this lien is authorized to be levied for the purpose of paying for certain municipal services set forth in that certain Notice of Special Tax Lien heretofore recorded in the Office of the County Recorder of the County of Yuba, State of California on April 7, 2015 as Document No. 2015-003657 (the "Notice of Special Tax Lien") to which recorded Notice of Special Tax Lien reference is hereby made and the provisions of which are hereby incorporated by this reference.

This First Amendment to Notice of Special Tax Lien amends the Notice of Special Tax Lien to add to the City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services) (the "CFD") territory originally designated as Future Annexation Area of the CFD. The territory included in the CFD and Future Annexation Area at the time of formation of the CFD is set forth in the map of the CFD (the "CFD Boundary Map") heretofore recorded on March 25, 2015, in Book 2 of Maps of Assessment and Community Facilities Districts at Page 26 & 27, Document No. 2015-003089, in the office of the County Recorder for the County of Yuba, State of California, to which map reference is hereby made. The territory to be added by this annexation ("Annexation No. 1") is certain real property identified in Exhibit A hereto and is within the Future Annexation Area shown on the CFD Boundary Map.

The rate, method of apportionment, and manner of collection of the authorized special tax, including Supplement No. 1 thereto ("RMA") is set forth in Exhibit B hereto and hereby made a part hereof. The territory referenced in Exhibit A and added to the CFD by Annexation No. 1 shall be placed in Tax Zone 2, as such term is defined in the RMA and described in

Supplement No. 1 to the RMA, which Tax Zone was created in connection with this Annexation No. 1 and applicable to the land annexed by Annexation No. 1.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the territory to be added to the CFD in accordance with Section 3115.5 of the Streets and Highways Code. The lien of the special tax is a continuing lien on the land annexed by Annexation No. 1 which shall secure the annual levy of the special tax and which shall continue in force and effect until the special tax obligation is permanently satisfied and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Government Code Section 53330.5.

The assessor's tax parcel(s) numbers of all parcels or any portion thereof which are included in Annexation No. 1 and affected by this First Amendment to Notice of Special Tax Lien, together with the name(s) of the owner(s) thereof, as they appear on the latest secured assessment roll as of the date of recording hereof or as are otherwise known to the City are as set forth in Exhibit A hereto and hereby made a part hereof.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the City Manager of the City, City Hall, 111 C Street, Wheatland, CA 95697 (telephone number: 530-633-2761).

Dated: As of _____, 2017

By: _____
City Clerk
City of Wheatland

EXHIBIT A

**CITY OF WHEATLAND
Community Facilities District No. 2015-1
(Wheatland Public Services)**

Annexation No. 1

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND WITHIN
ANNEXATION NO. 1**

<u>Assessor's Parcel No(s).</u>	<u>Name(s) of Property Owners</u>
015-180-074	Dale Investments, LLC, a California limited liability company
015-180-079	Dale Investments, LLC, a California limited liability company

EXHIBIT B

CITY OF WHEATLAND COMMUNITY FACILITIES DISTRICT NO. 2015-1 (WHEATLAND PUBLIC SERVICES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in the City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services) shall be levied and collected according to the tax liability determined by the City Council or its designee, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless the City Council adopts and the owners of the annexed land unanimously approve a separate rate and method of apportionment of Special Tax for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: expenses of the City in carrying out its duties with respect to the CFD, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its legal counsel, costs related to annexing property into the CFD, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Taxes and this RMA, costs associated with foreclosure and collection of delinquent Special Taxes and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this RMA.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on a County Assessor's Parcel map with an assigned County Assessor's Parcel number.

“Authorized Services” means those services that are authorized to be funded by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“CFD” means the City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services).

“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 2015-1 was adopted by the City Council.

“City” means the City of Wheatland.

“City Council” means the City Council of the City of Wheatland.

“County” means the County of Yuba.

“Developed Property” means, in any Fiscal Year, the following:

- for Single Family Detached Property, all Parcels of Taxable Property for which a Final Map was recorded on or prior to June 30 of the preceding Fiscal Year
- for Multi-Family Property and Single Family Attached Property, all Parcels of Taxable Property for which a building permit for new construction of a residential structure was issued on or prior to June 30 of the preceding Fiscal Year
- for Non-Residential Property, all Parcels of Taxable Property for which a building permit for new construction of a structure was issued on or prior to June 30 of the preceding Fiscal Year.

“Escalation Factor” means, in any Fiscal Year, the greater of (i) the percentage increase from the prior Fiscal Year, if any, in the Local Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose Area for All Urban Consumers, or (ii) four percent (4%). The CPI used shall be as determined by the Bureau of Labor Statistics from April to April beginning with the period from April 2015 to April 2016.

“Final Map” means a final map, or portion thereof, approved by the City and recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq) that creates SFD Lots. The term “Final Map” shall not include any large lot subdivision map, Assessor’s Parcel map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

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

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Section C.1 below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit or use permit has been issued or is expected to be issued for construction of a

residential structure with five or more Units that share a single Assessor's Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Non-Residential Property” means all Assessor's Parcels of Taxable Property for which a building permit was or is expected to be issued for an office, commercial, retail, hotel, industrial, or mixed-use building, or other non-residential use, as determined by the City.

“Non-Residential Square Footage” means the net leasable square footage used by or designated for non-residential uses within a building as reflected on the condominium plan, site plan, building permit for new construction, or other such document. If a structure on a Parcel of Non-Residential Property includes Units, such Units shall be categorized and taxed as Residential Property, and the square footage of such Units shall not be counted as Non-Residential Square Footage for purposes of determining the Maximum Special Taxes pursuant to Section C below.

“Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property.

“Public Property” means any property within the boundaries of the CFD that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a building includes both Units and Non-Residential Square Footage, the Units within the building shall be categorized as Residential Property for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit was or is expected to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was or is expected to be issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor's Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor's Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the unit), including such residential structures that meet the statutory definition of a condominium project contained in Civil Code Section 4125.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was or is expected to be issued for construction of a Unit that does not share a common wall with another Unit. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the tax will be collected. In any Fiscal Year, the Special Tax Requirement shall be reduced by surplus amounts available (as determined by the City) from the levy of the Special Tax in prior Fiscal Years, including revenues from the collection of delinquent Special Taxes and associated penalties and interest.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the CFD which are not exempt from the Special Taxes pursuant to law or Section F below.

“Tax Zone” means a mutually exclusive geographic area within which Special Taxes may be levied pursuant to this RMA. *All of the property within CFD No. 2015-1 at the time of CFD Formation is within Tax Zone 1.* Additional Tax Zones may be created when property is annexed to the CFD, and separate Maximum Special Taxes shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such Parcels are annexed to the CFD shall be identified by Assessor’s Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels annexed into the CFD that constitutes the property owner’s approval and unanimous vote in favor of annexing into the CFD and the levy of Special Taxes against his/her Parcel or Parcels pursuant to this RMA.

“Unit” means a single family detached residential unit or an individual residential unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure.

B. DATA FOR ADMINISTRATION OF SPECIAL TAXES

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Developed Property within the CFD. The Administrator shall also determine: (i) within which Tax Zone each Parcel is located; (ii) which Parcels of Developed Property are Residential Property and Non-Residential Property; (iii) the Non-Residential Square Footage of buildings on each Parcel of Non-Residential Property; (iv) for Single Family Detached Property, the number of SFD Lots, (v) by reference to the condominium plan, site plan, or other document, the number of Units on each Parcel of Single Family Attached Property and Multi-Family Property; and (vi) the Special Tax Requirement for the Fiscal Year. To determine the square footage of each Parcel of Single Family Detached Property, the Administrator shall reference Assessor’s Parcel maps or, if the square footage is not yet designated on such maps, the small lot subdivision map recorded to create the individual lots.

In any Fiscal Year, if it is determined that: (i) a subdivision map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the subdivision map was recorded, the Assessor does not yet recognize the new parcels created by the subdivision map, and (iii) a building permit was issued on or prior to June 30 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Taxes for Units and/or Non-Residential Square Footage within the subdivided area and levy such Special Taxes on the master Parcel that was subdivided by recordation of the subdivision map.

C. MAXIMUM SPECIAL TAX

1. Special Tax, Tax Zone 1

Table 1 below identifies the Maximum Special Tax for Developed Property within Tax Zone 1; a different Maximum Special Tax may be identified for property that annexes into the CFD and is part of a separate Tax Zone.

**TABLE 1
Maximum Special Tax
Tax Zone 1**

<i>Type of Property</i>	<i>Lot Size</i>	<i>Maximum Special Tax in Tax Zone 1 (Fiscal Year 2015-16)*</i>
<u>Residential Property:</u> Single Family Detached Property Single Family Attached Property Multi-Family Property	Any Not Applicable Not Applicable	\$655.00 per SFD Lot \$0.00 per Unit \$0.00 per Unit
Non-Residential Property	Not Applicable	\$0.00 per Non-Residential Square Foot

** On July 1, 2016, and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by the Escalation Factor.*

2. Maximum Special Taxes for Mixed-Use Buildings

If, in any Fiscal Year, the Administrator determines that a Parcel of Developed Property is built or proposed to be built with both Units and Non-Residential Square Footage, the Maximum Special Tax for the Parcel shall be the sum of (i) the aggregate Maximum

Special Taxes for all Units on the Parcel, and (ii) the Maximum Special Taxes determined for all of the Non-Residential Square Footage on the Parcel.

D. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for the Fiscal Year, and the Special Tax shall be levied on each Parcel of Developed Property within the CFD in the amount of either (i) the Maximum Special Tax, or (ii) the Proportionately determined percentage of the Maximum Special Tax required to generate the Special Tax Requirement, whichever is less.

E. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax may be levied and collected in perpetuity.

F. EXEMPTIONS

No Special Tax shall be levied on Public Property or any other Parcels in the CFD that are not Residential Property or Non-Residential Property, as defined herein, except as otherwise provided in the Act.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land.

CITY OF WHEATLAND
Community Facilities District No. 2015-1
(Wheatland Public Services)

SUPPLEMENT NO. 1
(TAX ZONE NO. 2)
TO
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

This Supplement No. 1 (Tax Zone No. 2) to Rate and Method of Apportionment of Special Tax (this "Supplement") supplements the Rate and Method of Apportionment of Special Tax (the "Existing Rate and Method," and together with the Supplement, the "Rate and Method") for "City of Wheatland Community Facilities District No. 2015-1 (Wheatland Public Services)" (the "CFD") as it applies to the property designated as Tax Zone No. 2 (the "Tax Zone") that is being annexed to the CFD for the purpose of financing certain public services (each of which constitutes a "Service" as defined in its "Resolution of Formation of Community Facilities District" adopted as Resolution No. 06-15 by the City Council of the City of Wheatland on March 10, 2015).

This Supplement supplements the Existing Rate and Method by adding new Section C.1 as described below. Section C.1 of the Existing Rate and Method shall not apply to the Tax Zone. Except as expressly set forth in this Supplement, all provisions of the Existing Rate and Method shall govern the Tax Zone.

Capitalized terms that are used but not defined in this Supplement have the meaning given them in the Existing Rate and Method.

C. MAXIMUM SPECIAL TAX

1. Special Tax, Tax Zone 2

The Maximum Special Tax for Fiscal Year 2016-17 for all Parcels of Single Family Detached Property within Tax Zone 2 shall be \$725 per SFD Lot.

On July 1, 2017, and on each July 1 thereafter, the Maximum Special Tax shall be increased by the Escalation Factor.

