

ITEM: **PUBLIC HEARING (PUBLISHED NOTICE) TO ESTABLISH "CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2019-2 (CENTRAL LATHROP SPECIFIC PLAN SERVICES)" (THE "CFD") UNDER THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, CONSTITUTING CHAPTER 2.5 OF PART 1 OF DIVISION 2 OF TITLE 5, COMMENCING AT SECTION 53311, OF THE CALIFORNIA GOVERNMENT CODE (THE "ACT")**

RECOMMENDATION: **Council to Consider the Following:**

- 1. Hold a Public Hearing; and**
- 2. Adopt Resolution of Formation of Community Facilities District 2019-2 (Central Lathrop City Services);**
- 3. Adopt Resolution Calling for a Special Election of Community Facilities District No. 2019-2 (Central Lathrop City Services);**
- 4. Adopt Resolution Declaring Results of Special Election and Direct Recording of Notice of Special Tax Lien for Community Facilities District No. 2019-2 (Central Lathrop City Services);**
- 5. Adopt Resolution to Dissolve Community Facilities District No. 2006-2 (Central Lathrop Specific Plan Services); and**
- 6. First Reading and Introduction of an Ordinance Levying Special Taxes Within Community Facilities District No. 2019-2 (Central Lathrop City Services)**

SUMMARY:

As part of their development agreement requirements, master developers are required to submit to the City a fiscal impact analysis.

The purpose of a fiscal impact analysis is to estimate the overall financial impacts a development will have on the City. This analysis enables the City to estimate the difference between the costs of providing services to a new development and the revenue the new development will generate.

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Over the last several months, Staff has worked with Saybrook Fund Advisors (Saybrook) to complete a fiscal impact analysis for their project known as Stanford Crossings. The fiscal impact analysis has determined that the Stanford Crossings development will produce a shortfall to the City's General Fund. In order for the City to ensure that development continues to pay its own way, a Community Facilities District (CFD) needs to be formed to cover the shortfalls.

It is recommended Council authorize the attached Resolution of Intention to establish the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) (the "District") and to levy a special tax to finance the costs of certain public services of benefit to the properties within the District.

At the March 11, 2019, City Council meeting, Council adopted Resolution 19-4523 declaring its intention to form Community Facilities District No. 2019-2 (Central Lathrop City Services) (the "District") and set the Public Hearing Date for April 8, 2019. This action formally started the process of forming the CFD under the Mello-Roos Community Facilities Act of 1982.

Today is the date set for the public hearing, at which time the City Council will hear a presentation on the proposed District. At the same time, the election of the property owners is to be completed. The election results will unanimously favor the District formation, as the Developer, is the only property owner within the District boundaries that will be voting. The Developer has waived a number of noticing and election procedures that make it possible for the proposed district to be formed in a short period of time. Per Government Code 53322, publication shall be complete at least seven days prior to the date of the hearing. The Notice of Public Hearing was published on March 28, 2019, in the same manner as the City's other public hearing notifications.

Additionally, in January of this year, Council approved the restructuring of CFD 2006-1, which has been completed pursuant to the terms of a Restructuring Agreement entered into by the City and Saybrook related entities. In connection with that restructuring, the parties to the agreement contemplated that the District will replace the City's existing Community Facilities District 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure Services), which was expected to be dissolved upon formation of the new District.

Staff recommends Council authorize the attached four Resolutions and Ordinance to complete the District formation process and to legally authorize the future levy of a special tax to finance the costs of funding maintenance and services in the District, and one additional resolution, which addresses the replacement of the 2006 CFD with the new District.

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BACKGROUND:

In 2006, the City formed two Community Facility Districts for Central Lathrop. The first, Community Facilities District (CFD) 2006-1 (Central Lathrop Specific Plan Phase 1 Infrastructure) paid for public facilities and infrastructure. The second, Community Facilities District (CFD) 2006-2 (Central Lathrop Specific Plan Services) pays annual maintenance and operation cost in the Central Lathrop development.

In 2007, the property owners failed to make payments on both CFD's. Since that time, the City has been working with its Financing Team and the property owners to restructure both CFD's. In January of this year, Council approved and concluded the restructuring of CFD 2006-1 by forming of CFD 2018-1 and 2018-2 (Central Lathrop Specific Plan Facilities).

Tonight's action will be the final approval needed to cancel CFD 2006-2 (Central Lathrop Specific Plan Services) and replace it with CFD 2019-2 (Central Lathrop City Services). This approval, will allow the developer to move forward with the sale of lots to merchant builders.

City Staff, the Financing Team and the Developer have had several discussions to help structure the proposed District and the Special Tax to be levied, which has been approved by the developer and will be calculated and levied as set forth in the Rate & Method of the Special Tax (Exhibit B of Attachment A).

The District will include approximately 1,576 planned homes, 274 high density residential units and 951,350 square feet of office and retail/commercial space, and is setup with the contemplation that additional land areas (the "Future Annexation Area") will be annexed into the District in the future upon the consent of the then owner/developer as the area develops.

The District will have a single tax rate formula, for the levy of the "Special Tax", for the purpose of funding increased costs of City services attributable to the new development. The description of the services authorized to be paid for by the Special Tax are described in the "Description of Services" (Exhibit A of Attachment A).

The services eligible to be included are:

Services

- A. Parks, Parkways, and Open Space, including but not limited to:
 - 1. Maintenance of parkway landscaping and bus shelters
 - 2. Operation and maintenance of parkway streetlights and traffic signals
 - 3. Maintenance and repair of sound walls along parkways
 - 4. Reserve for regular replacement of plants and materials
 - 5. Maintenance of community, neighborhood, and linear parks
 - 6. Maintenance of pedestrian/bike paths
 - 7. Operation and maintenance of park lighting
- B. Flood and Storm Protection, including but not limited to:
 - 1. Maintenance of the storm drain system and detention basins
 - 2. Operation and maintenance of the outfall structure and the pump lift stations for the detention basins
 - 3. Implementation of NPDES Storm Water Management Plan requirements
 - 4. Reserve for replacement of structures and pumps
- C. Police Protection, including but not limited to:
 - 1. Police services, including animal control
 - 2. Reserve for replacement of vehicles and equipment
- D. Fire Protection, including but not limited to:
 - 1. Fire services provided by the Lathrop-Manteca Fire Protection District
 - 2. Reserve for replacement of vehicles and equipment

The City Council has five documents for consideration:

- 1. **The Resolution of Formation (Attachment A)** - This officially forms the CFD, authorizes the Special Tax to be collected and establishes an appropriations limit for the CFD (under Article XIII B of the Constitution). The exhibits to this resolution show the Services authorized to be financed and the formula by which the Special Tax rate is calculated and applied. This includes a Description of Services (Exhibit A of Attachment A) listing the services and projects that are authorized to be funded from special tax revenues generated within the District and the Rate & Method of the Special Tax (Exhibit B of Attachment A) providing for the calculation of the Special Tax levies for the funding of the District and showing how the revenues from the District are to be collected and also sets forth the level of the taxes authorized to be levied on the various different types of properties.
- 2. **The Resolution Calling Special Landowner Election (Attachment B)** - This sets the election to be held at the same Council meeting and provides the form of the special ballot to be used by the landowner-voter. The election may be held at the same meeting because the property owner-voters have all asked for it and waived requirements that are otherwise applicable. Ballots have been previously mailed and are to be returned directly the City Clerk by the meeting time.

3. **The Resolution Declaring Results of Special Landowner Election (Attachment C)** - This is for adoption by the Council after the vote is announced by the City Clerk. It confirms the outcome of the property owner election for the CFD. Attached to it is a copy of the official Canvass and Statement of Result of Election to be completed by the Clerk after the vote is announced. This resolution also directs the filing of the Notice of Special Tax Lien against the lands in the CFD to allow collection of the special tax on each property.
4. **The Resolution to Dissolve Community Facilities District No. 2006-2 (Attachment D)** - This allows for the termination of the additional Special Taxes levies for CFD 2006-2 (Central Lathrop Specific Plan Services), contingent on the formation and successful landowner election authorizing CFD 2019-2 (Central Lathrop City Services) and dissolution of the 2006 CFD.
5. **Ordinance Levying Special Taxes (Attachment E)** -Under the law, the Council must levy the special taxes by an ordinance. Under this ordinance, the levy is made once by the adoption of this ordinance, and, in each year hereafter, the process of determining the special taxes and processing the collection is done by the City's financial official (or a consultant) and no further Council action is needed.

In the future, additional properties are authorized to be added to the CFD upon consent of the landowners of parcels to be added without further action of the Council, and will be similarly taxed.

Once the above actions are completed, the City Clerk is authorized to record with the County Recorder a Notice of Special Tax Lien pertaining to each of the parcels in the CFD subject to a special tax.

REASON FOR RECOMMENDATION:

Over the last several months, Staff has worked with Saybrook to complete a fiscal impact analysis for their project. The fiscal impact analysis has determined that the Stanford Crossings development will produce a shortfall to the City's General Fund. In order for the City to ensure that development continues to pay its own way, a Community Facilities District (CFD) needs to be formed to cover the shortfalls.

FISCAL IMPACT:

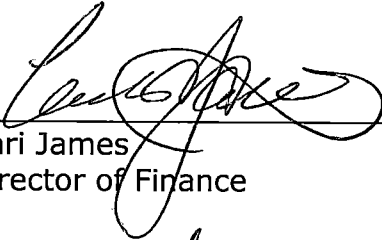
Developer has funded the cost to form the CFD.

ATTACHMENTS:

- A. Resolution of Formation of Community Facilities District
Exhibits to Attachment A:
 - A. Description of Services
 - B. Rate and Method of Apportionment of Special Tax
- B. Resolution Calling Special Landowner Election
- C. Resolution Declaring Results of Special Landowner Election
- D. Resolution to Dissolve Community Facilities District 2006-2 (Central Lathrop Specific Plan Services)
- E. Ordinance Levying Special Taxes Within the Community Facilities District

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APPROVALS:



Cari James
Director of Finance

4/1/19

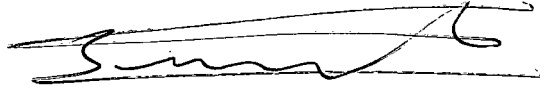
Date



Glenn Gebhardt
City Engineer

4/1/19

Date



Salvador Navarrete
City Attorney

4-1-19

Date



Stephen J. Salvatore
City Manager

4-2-19

Date

Attachment "A"

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING A RESOLUTION OF FORMATION OF COMMUNITY FACILITIES
DISTRICT**

**CITY OF LATHROP
Community Facilities District No. 2019-2
(Central Lathrop City Services)**

WHEREAS, on March 11, 2019 the City Council (the "Council") of the City of Lathrop (the "City") adopted Resolution No. 19-4523 entitled "Resolution of Intention to Establish Community Facilities District No. 2019-2 (Central Lathrop City Services) and Future Annexation Area" (the "Resolution of Intention"), stating its intention to form "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services)" (the "CFD") and a Future Annexation Area therein (the "Future Annexation Area"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and the Future Annexation Area and stating the services to be provided and the rate and method of apportionment of the special tax to be levied within the CFD to pay for the services, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on this date, this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD and the Future Annexation Area; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD and the Future Annexation Area, the services to be provided therein and the levy of such special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing evidence was presented to this Council on such matters before it, including a special report (the "Report") as to the services to be provided through the CFD and the costs thereof, a copy of which is on file with the City Clerk, and this Council at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, written protests with respect to the formation of the CFD, the furnishing of specified types of services and the rate and method of apportionment of the special taxes have not been filed with the City Clerk by 50% or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed special taxes; and

Attachment "A"

WHEREAS, written protests have not been filed with the City Clerk against the proposed annexation of the Future Annexation Area to the CFD by (i) 50% of more of the registered voters, or six registered voters, whichever is more, residing in the proposed boundaries of the CFD, or (ii) 50% or more of the registered voters, or six registered voters, whichever is more, residing in the Future Annexation Area, (iii) owners of one-half or more of the area of land in the proposed CFD or (iv) owners of one-half or more of the area of land in the Future Annexation Area.

NOW, THEREFORE, be it resolved by the City Council of the City of Lathrop:

- 1. Recitals Correct.** The foregoing recitals are true and correct.
- 2. No Majority Protest.** The proposed CFD, the proposed Future Annexation Area and the proposed special tax to be levied within the CFD have not been precluded by majority protest pursuant to section 53324 of the Act.
- 3. Prior Proceedings Valid.** All prior proceedings taken by this City Council in connection with the establishment of the CFD and the Future Annexation Area and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.
- 4. Name of CFD and Future Annexation Area.** The community facilities district designated "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services)" and the future annexation area designated "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) (Future Annexation Area)" are hereby established pursuant to the Act.
- 5. Boundaries of CFD.** The boundaries of the CFD and the Future Annexation Area, as set forth in the map of the CFD and the Future Annexation Area recorded in the San Joaquin County Recorder's Office on March 13, 2019 in Book 6 at Page 151 of Maps of Assessment and Community Facilities Districts, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD and the Future Annexation Area.

Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.
- 6. Description of Services.** The type of public services proposed to be financed by the CFD and pursuant to the Act shall consist of those items shown in Exhibit A hereto and by this reference incorporated herein (the "Services"). 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, the Future Annexation Area.

Attachment "A"

7. Special Tax.

a. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this Council.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein.

c. Territory in the Future Annexation Area will be annexed into the CFD and a special tax will be levied on such territory only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed into the CFD. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the Future Annexation Area, is intended to be levied annually within the Future Annexation Area, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this City Council. As required by Section 53339.3(d) of the Act, the 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 existing 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 existing CFD. In so finding, the Council does not intend to limit its ability to levy a special tax within the Future Annexation Area to provide new or additional services beyond those supplied within the existing CFD.

8. Increased Demands. It is hereby found and determined that the Services are necessary to meet increased demands placed upon local agencies, including the City, as the result of development occurring in the CFD and the Future Annexation Area. 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.

Attachment "A"

9. Responsible Official. The Finance Director of the City of Lathrop, City Hall, 390 Town Center Drive, Lathrop, California 95330, telephone number 209-941-7327, is the officer of the City who will be responsible for preparing annually a current roll of the levy of the Special Tax obligations by assessor's parcel number and who will be responsible for estimating future levies of the Special Tax.

10. Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the Special Tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the Special Tax by the City ceases.

11. Appropriations Limit. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$5,000,000 and such appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing such annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act and the Constitution.

12. Election. Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council.

13. Effective Date. This resolution shall take effect upon its adoption.

* * * * *

Attachment "A"

The foregoing resolution was passed and adopted this 8th day of April 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT "A"

CITY OF LATHROP City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services)

DESCRIPTION OF SERVICES

The following, including all related administrative costs and expenses, shall be the "Services" to be financed, in whole or in part by the captioned CFD:

- A. Parks, Parkways, and Open Space, including but not limited to:
 - 1. Maintenance of parkway landscaping and bus shelters
 - 2. Operation and maintenance of parkway streetlights and traffic signals
 - 3. Maintenance and repair of sound walls along parkways
 - 4. Reserve for regular replacement of plants and materials
 - 5. Maintenance of community, neighborhood, and linear parks
 - 6. Maintenance of pedestrian/bike paths
 - 7. Operation and maintenance of park lighting

- B. Flood and Storm Protection, including but not limited to:
 - 1. Maintenance of the storm drain system and detention basins
 - 2. Operation and maintenance of the outfall structure and the pump lift stations for the detention basins
 - 3. Implementation of NPDES Storm Water Management Plan requirements
 - 4. Reserve for replacement of structures and pumps

- C. Police Protection, including but not limited to:
 - 1. Police services, including animal control
 - 2. Reserve for replacement of vehicles and equipment

- D. Fire Protection, including but not limited to:
 - 1. Fire services provided by the Lathrop-Manteca Fire Protection District
 - 2. Reserve for replacement of vehicles and equipment

The services also include administrative expenses related to the District including but not limited to the payment or reimbursement to the City (or to property owners in the District) all costs actually incurred in connection with the establishment and administration of the District, 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 of San Joaquin 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 its 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.

EXHIBIT B

CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2019-2 (CENTRAL LATHROP CITY SERVICES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) shall be levied and collected according to the tax liability determined by the City 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 a separate rate and method of apportionment of special tax is adopted 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.

"Acre" means one acre of the land area of 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 map, parcel map, condominium plan, or other recorded County map.

"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, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax 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 Tax 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 Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services).

“CFD Formation” means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

“City” means the City of Lathrop.

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

“County” means the County of San Joaquin.

“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.

“Development Class” means, individually, Developed Property and Undeveloped Property.

“Escalation Factor” means, in any Fiscal Year, the lesser of (i) the increase from the prior Fiscal Year, if any, in the Local Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward 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 2018 to April 2019.

“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 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, collectively, Office Property and Retail Property. If a building includes both non-residential uses and Units, Section C.1 below sets forth the process to estimate the acreage of Non-Residential Property for purposes of this RMA.

“Proportionately” means, for each Development Class, 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 Parcels assigned to the Development Class.

“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.

“Office Property” means any Parcel of Developed Property that is designated for office space to be used for professional, banking, insurance, real estate, administrative, in-office medical or dental activities, or any other non-residential use that does not fall within the definition of Retail Property, as determined by the City.

“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 uses, the Units within the building shall be categorized as Residential Property for purposes of this RMA.

“Retail Property” means any Parcel of Developed Property designated for a commercial establishment which sells general merchandise, hard goods, personal services, and other items directly to consumers, including, but not limited to, travel agencies, hardware stores, grocery stores, automotive dealers, service stations, home furnishing stores, restaurants, bars, banks, repair shops, movie theatres, day care centers, and art galleries. The City shall make the final determination as to whether a Parcel is Retail Property.

“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 permitted 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 contained in Civil Code Section 1351.

“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 Tax pursuant to law or Section F below.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. *All of the property within the CFD 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 the Special Tax against his/her Parcel or Parcels pursuant to this RMA.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not yet Developed Property.

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

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Taxable 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) which Parcels of Residential

Property are Single Family Detached Property, Single Family Attached Property, and Multi-Family Property; (iv) which Parcels of Non-Residential Property are Office Property and Retail Property; (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.

In any Fiscal Year, if it is determined that: (i) a parcel 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 parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel 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 Tax for Units, Non-Residential Property, and/or Undeveloped Property within the subdivided area and levy such Special Taxes on the master Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Developed Property

Table 1 below identifies the Maximum Special Tax for Developed Property within Tax Zone 1; different Maximum Special Taxes 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>Maximum Special Tax in Tax Zone 1 (Fiscal Year 2019-20)*</i> |
|--|---|
| <u>Residential Property</u> Single Family Detached Property Single Family Attached Property Multi-Family Property | \$1,200 per Unit \$1,200 per Unit \$700 per Unit |
| <u>Non-Residential Property</u> Office Property Retail Property | \$2,000 per Acre \$1,500 per Acre |

**** On July 1, 2020 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by the Escalation Factor.***

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 uses, the Maximum Special Tax for the Parcel shall be the sum of: (i) the aggregate Maximum Special Tax for all Units on the Parcel, and (ii) the Maximum Special Tax determined for Non-Residential Property on the Parcel, the acreage of which shall be determined by dividing the net leasable or net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net saleable and net leasable square footage in the building built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the acreage of the underlying land Parcel.

2. *Undeveloped Property*

The Maximum Special Tax for Undeveloped Property in Fiscal Year 2019-20 is \$3,393 per Acre, which amount shall, on July 1, 2020 and each July 1 thereafter, be increased by the Escalation Factor.

D. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

- Step 1:** The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for Developed Property until the amount levied is equal to the Special Tax Requirement.
- Step 2:** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

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 Taxes 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.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties or any definition applicable to the CFD, by resolution or ordinance. 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.

Attachment "B"

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING A RESOLUTION CALLING SPECIAL LANDOWNER ELECTION
FOR COMMUNITY FACILITIES DISTRICT**

**CITY OF LATHROP
Community Facilities District No. 2019-2
(Central Lathrop City Services)**

WHEREAS, the City Council (the "Council") of the City of Lathrop (the "City") has adopted a resolution entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation"), ordering the formation of the "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services)" (the "CFD") and a future annexation area (the "Future Annexation Area"), defining the public services (the "Services") to be provided by the CFD, authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, pursuant to the provisions of the Resolution of Formation, the propositions of the levy of the special tax and the establishment of the appropriations limit shall be submitted to the qualified electors of the CFD as required by the provisions of the Act.

NOW, THEREFORE, be it resolved by the City Council of the City of Lathrop:

1. Issues Submitted. Pursuant to the Act, the issues of the levy of the special tax and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below.

2. Qualified Electors. This Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the CFD for each of the ninety (90) days preceding the close of the public hearings heretofore conducted and concluded by this Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearing.

Attachment "B"

3. Conduct of Election. This Council hereby calls a special election to consider the issues described in Section 2, above, which election shall be held on April 8, 2019, and the results thereof canvassed at the meeting of this Council on April 8, 2019. The City Clerk is hereby designated as the official to conduct the election and to receive all ballots until the close of business on the election date. It is hereby acknowledged that the Clerk has on file the Resolution of Formation, a map of the boundaries of the CFD, and a sufficient description to allow the Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code. This Council hereby finds that paragraphs (a), (b), (c) (1) and (c)(3) of Section 4000 are applicable to this special election, except that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of the election.

4. Ballot. As authorized by Section 53353.5 of the Act, the issues described in section 1 above shall be combined into a single ballot measure, the form of which as attached hereto as Exhibit "A" is hereby approved. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit "A," to be delivered to each of the qualified electors of the CFD. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains. Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot shall be enclosed with the ballot, have the return postage prepaid, and contain the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot.

5. Waivers. This Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of the CFD. There is on file with the Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, this Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. This Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act.

Attachment "B"

6. Accountability. Under Section 50075.1 of the Government Code, the following accountability provisions shall apply to the special taxes: (a) the construction and/or acquisition of the Services and the incidental costs thereof including any bonds, all as defined in the Resolution of Formation, shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual report if required by Section 50075.3 of the Government Code.

7. Effective Date. This Resolution shall take effect upon its adoption.

* * * * *

Attachment "B"

The foregoing resolution was passed and adopted this 8th day of April 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

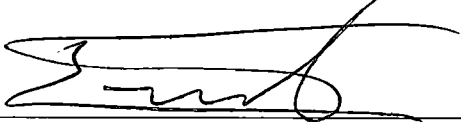
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

Attachment "B"

EXHIBIT "A"

**CITY OF LATHROP
Community Facilities District No. 2019-2
(Central Lathrop City Services)**

**OFFICIAL BALLOT
SPECIAL TAX ELECTION**

Number of Votes: 503

Property Owner: Lathrop Land Acquisition, LLC, a Delaware limited liability company

This ballot is for a special, landowner election for the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services). You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Lathrop **no later than the hour of 7:00 p.m. on April 8, 2019, either by mail or in person.** The Clerk's office is located at 390 Town Center Drive, Lathrop, California 95330.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk and obtain another.

The estimated maximum annual amount of money authorized to be raised by this measure at year 30 of the CFD term is expected to be \$5.21 million based upon the projected full build-out of the CFD and the rate and duration of the special tax as set forth in the rate and method of apportionment of special taxes for the CFD.

| | |
|---|--|
| <p>BALLOT MEASURE: Shall the measure to allow the City of Lathrop be authorized to annually levy a special tax solely on lands within the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) (the "CFD") in accordance with the rate and method contained in the Resolution of Formation of the CFD adopted by the City Council of the City on April 8, 2019, commencing in the City's fiscal year 2019-20, to pay for the public services specified in the Resolution of Formation for the CFD and to pay the costs of the City in administering the CFD, and shall the annual appropriations limit of the CFD be established in the amount of \$5,000,000 be adopted?</p> | <p>YES: _____</p> <p>NO: _____</p> |
|---|--|

By execution in the space provided below, you also confirm your written waiver of the time limit pertaining to the conduct of the election and any requirement for analysis and arguments with respect to the ballot measure.

Property Owner:

Lathrop Land Acquisition, LLC, a Delaware limited liability company

By: Saybrook Fund Investors, LLC, its managing member

By: _____

Jeffrey M. Wilson

Attachment "C"

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A RESOLUTION DECLARING RESULTS OF SPECIAL LANDOWNER ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN

**CITY OF LATHROP
Community Facilities District No. 2019-2
(Central Lathrop City Services)**

WHEREAS, the City Council (the "Council") of the City of Lathrop (the "City") has adopted a resolution entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation"), ordering the formation of the "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services)" (the "CFD") and a future annexation area, authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, under the provisions of the Resolution of Formation and pursuant to a resolution entitled "Resolution Calling Special Landowner Election for Community Facilities District" (the "Election Resolution") heretofore adopted by this Council, the propositions of the levy of the special tax and the establishment of the appropriations limit were submitted to the qualified electors of the CFD as required by the provisions of the Act; and

WHEREAS, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Results of Election, (the "Canvass") a copy of which is attached hereto as Exhibit A; and

WHEREAS, this Council has been informed of the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD.

NOW, THEREFORE, be it resolved by the City Council of the City of Lathrop:

- 1.** Recitals. The foregoing recitals are all true and correct.
- 2.** Issues Presented. The issues presented at the special election were the levy of a special tax within the CFD and the approval of an annual appropriations limit of not to exceed \$5,000,000, all pursuant to the Resolution of Formation.

Attachment "C"

3. Canvass and Issues Approved. The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds of the votes cast at the special election.

4. Proceedings Approved. Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by this Council with respect to the CFD were valid and in conformity with the Act.

5. Notice of Tax Lien. The City Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of San Joaquin a notice of special tax lien in the form required by the Act, such recording to occur no later than fifteen (15) days following adoption of this resolution by the Council

6. Effective Date. This Resolution shall take effect upon its adoption.

* * * * *

Attachment "C"

The foregoing resolution was passed and adopted this 8th day of April 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:


ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

Attachment "C"

EXHIBIT "A"

CANVASS AND STATEMENT OF RESULT OF ELECTION

**CITY OF LATHROP
Community Facilities District No. 2019-2
(Central Lathrop City Services)**

I hereby certify that on _____, 2019, I canvassed the returns of the election held on _____, 2019, in the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) and the total number of ballots cast in such District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

| | Qualified Landowner Votes | Votes Cast | YES | NO |
|--|--|-----------------------|------------|-----------|
| City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) Special Tax Election, _____, 2019. | _____ | _____ | _____ | _____ |

BALLOT MEASURE: Shall the measure to allow the City of Lathrop be authorized to annually levy a special tax solely on lands within the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) (the "CFD") in accordance with the rate and method contained in the Resolution of Formation of the CFD adopted by the City Council of the City on April 8, 2019, commencing in the City's fiscal year 2019-20, to pay for the public services specified in the Resolution of Formation for the CFD and to pay the costs of the City in administering the CFD, and shall the annual appropriations limit of the CFD be established in the amount of \$5,000,000 **be adopted?**

YES: _____

NO: _____

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND on _____,
2019.

By: _____

City Clerk
City of Lathrop

Attachment "D"

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO DISSOLVE COMMUNITY FACILITIES DISTRICT NO. 2006-2 (CENTRAL LATHROP SPECIFIC PLAN SERVICES)

WHEREAS, the City Council (the "City Council") of the City of Lathrop (the "City") has previously conducted proceedings to establish Community Facilities District No. 2006-2 (Central Lathrop Specific Plan Services) (the "2006 CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code; and

WHEREAS, the City is authorized to levy, and has levied, special taxes on land within the 2006 CFD according to a Rate and Method of Apportionment of Special Tax approved by the City Council the 2006 CFD; and

WHEREAS, land in a portion of the 2006 CFD has been acquired by Saybrook CLSP, LLC, a Delaware limited liability company, and/or Lathrop Land Acquisition, LLC, a Delaware limited liability company (together, the "Landowners"), and the Landowners and the City have restructured the special tax obligation and bonds of a community facilities district formed in 2006 for the purpose of financing capital improvements, all pursuant to a "Restructuring Agreement for the Community Facilities District No. 2006-1" (the "Restructuring Agreement"); and

WHEREAS, the City is undertaking the formation of a new community facilities district to be known as Community Facilities District No. 2019-2 (Central Lathrop City Services) (the "New CFD") and a related future annexation area, which initial boundary is coterminous with the City's Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) formed pursuant to the Restructuring Agreement; and

WHEREAS, the Landowners own all of the land to be initially included within the New CFD and pursuant to the request of the Landowners, the City and the Landowners now desire to replace the 2006 CFD with the New CFD, resulting in a release of all parcels within the 2006 CFD from any further levy of a special tax of the 2006 CFD, and upon such release cause certain of the parcels formerly within the 2006 CFD to be subject an ongoing levy of a special tax of the New CFD; and

WHEREAS, the City Council hereby finds and determines that release of special tax levies of the 2006 CFD and the creation of the New CFD will best serve the interests of the City and the owners of property subject to the special taxes of the 2006 CFD; and

Attachment "D"

WHEREAS, the City Council now desires to approve the release of future special tax levies of the 2006 CFD on land within the 2006 CFD, and to waive, cancel and extinguish the special tax obligations of the 2006 CFD, subject to and effective upon the formation of the New CFD and authorization to levy a special tax within the New CFD to pay for public services authorized to be financed by the New CFD.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LATHROP, AS FOLLOWS:

1. This City Council hereby finds and determines that the foregoing recitals are true and correct.

2. Contingent upon the completion of formation and adoption by this Council of an ordinance authorizing a special tax of the New CFD to be levied for the provision of public services authorized to be financed by the New CFD, the City Manager and the Finance Director (each, an "Authorized Officer"), each acting alone, are hereby authorized to take such actions as such Authorized Officer deems necessary or appropriate to effectuate a waiver, cancellation, forgiveness and/or extinguishment of all existing and future Special Taxes, including any penalties, interest, costs, and other charges accrued thereon, arising with respect to the 2006 CFD for all land within the 2006 CFD.

3. Upon recording of a Notice of Special Tax Lien evidencing the lien of the special taxes authorized to be levied within the New CFD upon all parcels within the initial boundary of the New CFD, an Authorized Officer is authorized to cause to be recorded a Notice of Cessation of Lien for all parcels within the 2006 CFD in accordance with Section 53330.5 of the Government Code.

4. This City Council hereby further finds that the actions and determinations made herein are necessary and convenient to carry out the Restructuring Agreement, the purpose of the Act and the restructuring of special taxes to be used for paying for the public services originally contemplated to be financed by the 2006 CFD, and such actions and determinations are not otherwise prohibited by law and that the actions taken hereby are final and in accordance with the Act.

5. All proceedings heretofore taken by this Council with respect to the CFD and the actions approved in this resolution, including the actions taken herein, have been duly considered and are hereby determined to be valid and in conformity with the Act.

6. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

Attachment "D"

The foregoing resolution was passed and adopted this 8th day of April 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

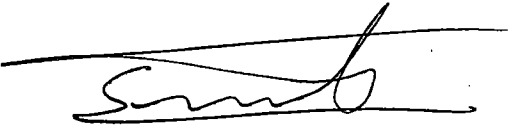
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

Attachment "E"

ORDINANCE NO. 19-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP LEVYING SPECIAL TAX WITHIN COMMUNITY FACILITIES DISTRICT NO. 2019-2 (CENTRAL LATHROP CITY 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 March 11, 2019, this City Council (the "Council") of the City of Lathrop (the "City"), adopted its resolution entitled "Resolution of Intention to Establish Community Facilities District No. 2019-2 (Central Lathrop City Services Services) and Future Annexation Area" (the "Resolution of Intention"), and has conducted proceedings (the "Proceedings") to establish "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services 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 services (the "Services") as provided in the Act; and

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 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; and

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, on April 8, 2019, a special election was held among the landowner voters within the CFD at which such voters approved such propositions by the two-thirds vote required by the Act, which approval has been confirmed by resolution of this Council.

Attachment "E"

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LATHROP, AS FOLLOWS:

Section 1. By the passage of this Ordinance, the Council hereby authorizes and levies the Special Tax within the CFD (including any parcel or parcels in the Future Annexation Area that annex into the CFD at rate to be determined at the time of annexation) pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of Formation which rate and method is by this reference incorporated herein. The Special Tax is hereby levied commencing in fiscal year 2019-20, and in each fiscal year thereafter to pay for the Services for the CFD, as contemplated by the Resolution of Formation and the Proceedings and all costs of administering the CFD.

Section 2. The Finance Director of the City or designee, or an employee or consultant of the City, is hereby authorized and directed each fiscal year to determine the specific Special Tax to be levied for the next ensuing fiscal year for each parcel of real property within the CFD (including any parcel in the Future Annexation Area that annex into the CFD), in the manner and as provided in the Resolution of Formation.

Section 3. Exemptions from the levy of the Special Tax shall be as provided in the Resolution of Formation and the applicable provisions of the Act. In no event shall the Special Tax be levied on any parcel within the CFD in excess of the maximum Special Tax specified in the Resolution of Formation.

Section 4. All of the collections of the Special Tax shall be used as provided in the Act and in the Resolution of Formation, including, but not limited to, the payment of costs of the Services, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the Special Tax.

Section 5. The Special Tax shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the Council may provide for other appropriate methods of collection by resolution(s) of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent Special Tax payments. The Finance Director of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of San Joaquin County in order to effect proper billing and collection of the Special Tax, so that the Special Tax shall be included on the secured property tax roll of San Joaquin County for fiscal year 2019-20 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the City.

Attachment "E"

Section 6. If for any reason any portion of this ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this ordinance and the application of the Special Tax to the remaining parcels within the CFD shall not be affected.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published immediately after its passage at least once in a newspaper of general circulation circulated in the City.

Section 8. This Ordinance shall take effect 30 days from the date of final passage.

* * * * *

Attachment "E"

THIS ORDINANCE was regularly introduced at a meeting of the City Council of the City of Lathrop on the 8th day of April 2019, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the ____ day of ____ 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

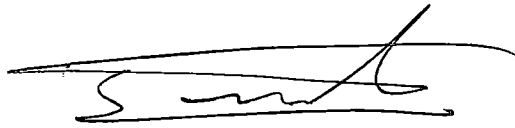
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney