

**CITY MANAGER'S REPORT  
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM:** **COMMUNITY FACILITIES DISTRICT 2019-2  
(CENTRAL LATHROP CITY SERVICES)  
FORMATION**

**RECOMMENDATION:** **Adopt a Resolution Declaring Intention to  
Establish Community Facilities District 2019-2  
(Central Lathrop City Services) and Setting a  
Public Hearing Date for April 8, 2019**

---

**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.

Over the last several months, Staff has worked with Saybrook Fund Advisors (Saybrook) to complete a fiscal impact analysis for their project (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.

**BACKGROUND:**

City Staff, the Financing Team and the Developer have had several discussions to help formulate 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 (attached to the Resolution of Intention (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 services. The description of the services authorized to be paid for by the Special Tax are described in the "List of Services" (Exhibit A of Attachment A). The services shall include:

**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 four documents for consideration:

1. *The District Boundary Map (Attachment B)* – Details the legal parcels which will make up the properties within the boundaries of the District, showing the area initially to be taxed and the area later to be taxed as the "Future Annexation Area."
2. *List of Services and Facilities (Exhibit A of Attachment A)* – Lists the services and projects that are authorized to be funded from special tax revenues generated within the District.
3. *The Rate & Method of the Special Tax (Exhibit B of Attachment A)* is a key document in that it provides how the revenues from the District are to be collected and also sets forth the purpose and level of the taxes from the various different types of properties. The District special taxes are secured by a lien on the property, levied and payable similarly to property taxes.

4. *The Resolution of Intention* (Attachment A) - The resolution sets forth the intention to establish the District, designates the name of the District, identifies the services to be funded, and states the City's intention to levy a special tax to pay for the services and in the future to pay for the public services. The Resolution also sets April 8, 2019 as the date for a hearing on the matters set forth therein.

Today's resolution sets the public hearing date 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 expected to be completed. Staff expects election results to unanimously favor the District formation because the Developer has requested the formation and is the only property owner within the District boundaries. It is expected that the Developer will waive a number of noticing and election procedures that make it possible for the proposed district to be formed in a relatively short period of time.

At the public hearing on the District, protests against the establishment of the District, the extent of the District, or the furnishing of specified types of public facilities or services within the District may be made orally or in writing by any interested persons or taxpayers. Any protests pertaining to the regularity or sufficiency of the proceedings shall be made in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the hearing. The City Council may waive any irregularities in the form or content of any written protest and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing. If the City Council determines at the conclusion of the hearings to proceed with the establishment of the District, the proposed voting procedure shall be by landowners voting in accordance with the Mello-Roos Community Facilities District Act of 1982, as there are less than twelve registered electors residing within the proposed district boundaries.

Notice of the Public Hearing will be published in the same manner as the City's other public hearing notifications at least seven days prior to the hearing date. Furthermore, a notice of the hearing will be mailed to each property owner and registered voter within the proposed District boundaries (unless otherwise waived given that there is only one property owner in the District).

**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.

The first step to form the CFD is Council adoption of a Resolution of Intention.

**CITY MANAGER'S REPORT**  
**MARCH 11, 2019 CITY COUNCIL REGULAR MEETING**  
**CENTRAL LATHROP CITY SERVICES COMMUNITY FACILITIES DISTRICT**  
**2019-2 INTENT TO LEVY**

**FISCAL IMPACT:**

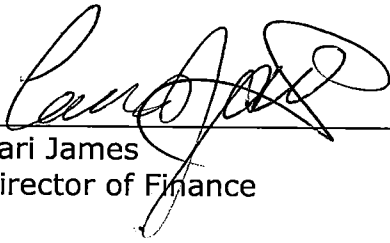
Saybrook has funded the forming of the CFD.

**ATTACHMENTS:**

- A. Resolution of Intention to Establish Community Facilities District  
Exhibits to Attachment A:
  - A. Description of Authorized Services and Facilities
  - B. Rate and Method of Apportionment of Special Tax
  
- B. Community Facilities District No. 2019-2 Boundary Map

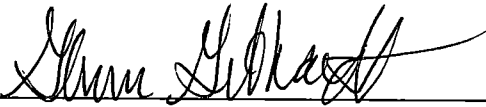
**CITY MANAGER'S REPORT  
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING  
CENTRAL LATHROP CITY SERVICES COMMUNITY FACILITIES DISTRICT  
2019-2 INTENT TO LEVY**

**APPROVALS:**



Cari James  
Director of Finance

3/5/19  
Date



Glenn Gebhardt  
City Engineer

3/5/19  
Date



Salvador Navarrete  
City Attorney

3-5-19  
Date



Stephen J. Salvatore  
City Manager

3-7-19  
Date

## RESOLUTION NO. 19-

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A RESOLUTION OF INTENTION TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2019-2 (CENTRAL LATHROP CITY SERVICES) AND FUTURE ANNEXATION AREA

**WHEREAS**, under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") is authorized to establish a community facilities district and to act as its legislative body; and

**WHEREAS**, this Council, having received a request from the owner of the area of land proposed to be included in the proposed community facilities district, now desires to proceed with the establishment of such community facilities district to finance costs of public safety services required to meet the demands of development of lands in the City; and

**WHEREAS**, pursuant to Section 53339.2 of the Act, this Council further desires to undertake proceedings to provide for future annexation of territory to the proposed community facilities district.

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

1. Authority. This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Act, and hereby determines that public convenience and necessity require that a future annexation area be established pursuant to the Act.

2. Name of CFD; Future Annexation Area. The name proposed for the community facilities district is "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services)" (the "CFD").

The name proposed for the territory proposed to be annexed into the CFD in the future is "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) (Future Annexation Area)" (the "Future Annexation Area").

3. Boundaries Described. The proposed boundaries of the CFD and the Future Annexation Area are as shown on the map of them on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the CFD and the Future Annexation Area in the office of the County Recorder within 15 days of the date of adoption of this Resolution.

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.

4. Services. The type of services proposed to be financed by the CFD and the Future Annexation Area and pursuant to the Act shall consist of those listed in Exhibit A hereto and hereby incorporated herein (the "Services"). The Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within the area of the CFD and the Future Annexation Area.

The Services are in addition to those provided in the territory of the CFD and the Future Annexation Area as of the date hereof and will not supplant services already available within the territory of the CFD and the Future Annexation Area as of the date hereof. The City intends to provide the Services on an equal basis in the original territory of the CFD and, when it has been annexed to the CFD, the Future Annexation Area.

5. Special Tax. 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 recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto and hereby incorporated herein (the "Rate and Method"). This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

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.

6. Exempt Property. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California, the County and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the Services and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax.

7. Election and Unanimous Approval. The levy of the Special Tax in the CFD shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD.

A special tax shall be levied in the Future Annexation Area 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, without any requirement for further public hearings or additional proceedings.

8. CFD Report. The City Manager (or deputy or designee thereof) is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing (the "CFD Report"), which shall be a part of the record of the public hearing hereinafter specified and which report shall present the following:

(a) A description of the Services that will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith, and all other related costs.

The CFD Report shall be made a part of the record of the public hearing specified below.

9. Public Hearing. Monday, April 8, 2019, at 7:00 p.m. or as soon thereafter as possible in the City Council Chambers located at 390 Town Center Drive, Lathrop, California 95330, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD, the Future Annexation Area and the levy of the Special Tax.



10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD and the Future Annexation Area. The publication shall be completed at least 7 days before the date of the public hearing specified above. The City Clerk may also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's address as it appears on the most recent tax records of the County or as otherwise known to the City Clerk to be correct. Such mailing shall be completed not less than 15 days before the date of the public hearing. The notice of the public hearing shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

11. Further Action. The Mayor, City Manager, Finance Director, Treasurer, City Attorney, City Clerk and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

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

\* \* \* \* \*

The foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 11<sup>th</sup> day of March, 2019, by the following vote:

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 c 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.

CITY OF LATHROP  
**COMMUNITY FACILITIES DISTRICT NO. 2019-2**  
**(CENTRAL LATHROP CITY SERVICES)**  
 SAN JOAQUIN COUNTY, STATE OF CALIFORNIA

CITY OF LATHROP CERTIFICATE

1. FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019.

\_\_\_\_\_  
 CITY CLERK, CITY OF LATHROP

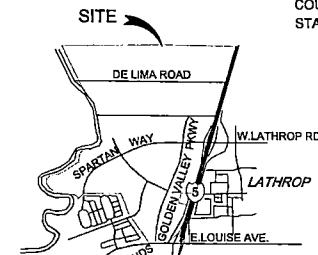
2. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2019-2 (CENTRAL LATHROP CITY SERVICES) CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LATHROP, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019, BY ITS RESOLUTION NO. \_\_\_\_\_.

\_\_\_\_\_  
 CITY CLERK, CITY OF LATHROP

SAN JOAQUIN COUNTY RECORDER CERTIFICATE

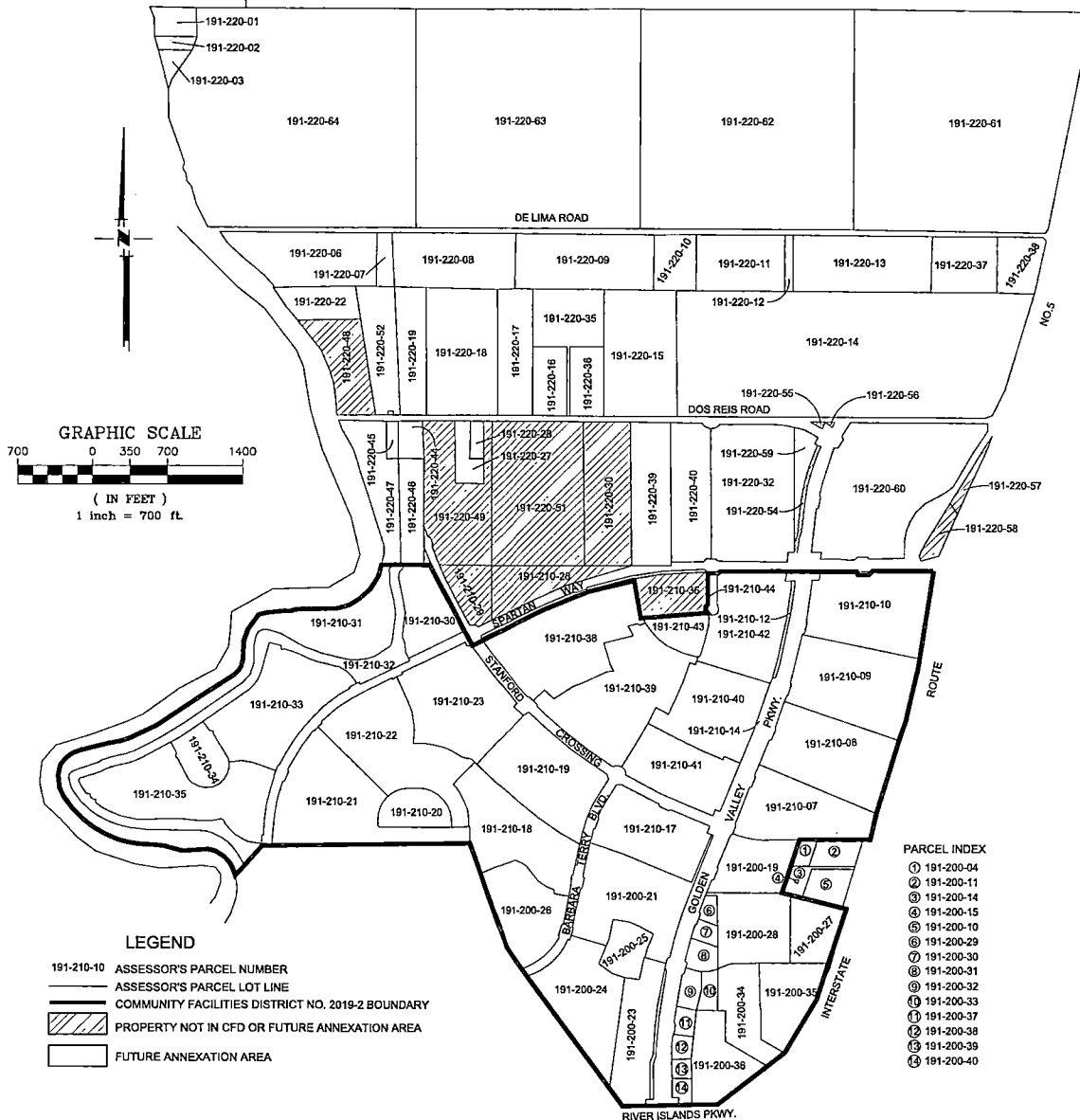
FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

\_\_\_\_\_  
 COUNTY RECORDER  
 COUNTY OF SAN JOAQUIN,  
 STATE OF CALIFORNIA



VICINITY MAP  
 N.T.S.

**GCG**  
 GOODWIN CONSULTING GROUP



- LEGEND**
- 191-210-10 ASSESSOR'S PARCEL NUMBER
  - ASSESSOR'S PARCEL LOT LINE
  - COMMUNITY FACILITIES DISTRICT NO. 2019-2 BOUNDARY
  - ▨ PROPERTY NOT IN CFD OR FUTURE ANNEXATION AREA
  - FUTURE ANNEXATION AREA

- PARCEL INDEX**
- ① 191-200-04
  - ② 191-200-11
  - ③ 191-200-14
  - ④ 191-200-15
  - ⑤ 191-200-10
  - ⑥ 191-200-29
  - ⑦ 191-200-30
  - ⑧ 191-200-31
  - ⑨ 191-200-32
  - ⑩ 191-200-33
  - ⑪ 191-200-37
  - ⑫ 191-200-38
  - ⑬ 191-200-39
  - ⑭ 191-200-40