



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Declaring Intention to Annex Territory to Community Facilities District No. 2007-1 (Public Services) and to Levy a Special Tax Therein and Setting Public Hearing for July 16, 2014

MEETING DATE: May 21, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution declaring intention to annex territory to Community Facilities District No. 2007-1 (Public Services) and to levy a special tax therein and setting public hearing for July 16, 2014.

BACKGROUND INFORMATION: The resolution, if adopted by the City Council, will begin the process to annex five parcels into the City of Lodi Community Facilities District No. 2007-1 (Public Services) (CFD). The boundaries of these are shown in Attachment A and include those certain parcels commonly known as the Rose Gate and Van Ruiten Ranch subdivisions. Approved tentative subdivision map conditions require the private landowners to cooperate in the annexation of those parcels into the CFD, the purpose of which is to offset a portion of the costs caused by new development.

The resolution is provided as Attachment B and establishes, among other things, the City's intent to approve Annexation No. 1 to the CFD which includes the levy of a special tax to pay for public services and related costs. The resolution calls a public hearing for July 16, 2014, at which time interested parties may comment upon the annexation to the CFD.

Exhibit A to the Resolution contains the description of the services to be provided as presented below.

- (a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.
- (b) Fire protection and suppression services, and ambulance and paramedic services.
- (c) Maintenance of parks, parkways, and open space.
- (d) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection systems.
- (e) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

Exhibit B to the resolution is a special tax formula entitled "Rate, Method of Apportionment, and Manner of Collection of Special Tax." The special tax provides for an annual tax of \$766 for single-family units (increased 5 percent per year from the initial \$600) and \$223 for multi-family units (increased 5 percent per year from the initial \$175). All special taxes are subject to an annual inflation adjustment that shall be the greater of the Consumer Price Index (San Francisco – Urban) or 5 percent. Certain properties, such as governmental property and undeveloped property, are not subject to the special tax program. The special taxes may not be prepaid. The special tax shall be levied in perpetuity.

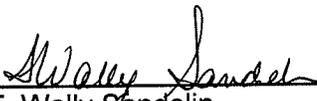
APPROVED: _____

Stephen Schwabauer, Interim City Manager

Exhibit C to the resolution is a form of the Notice of Public Hearing that will be published and posted calling for a public hearing to be held by the City Council. Following that public hearing, the City Council will be in a position to approve a separate, future resolution that will form the CFD and will call the election for the CFD.

FISCAL IMPACT: The public services and administration of the CFD shall be paid from the special taxes collected within the CFD. The developer has agreed to reimburse the City for all costs incurred in establishing the CFD. The estimated annual revenues at buildout of these projects will amount to approximately \$475,000.

FUNDING AVAILABLE: Not applicable.



F. Wally Sandelin
Public Works Director

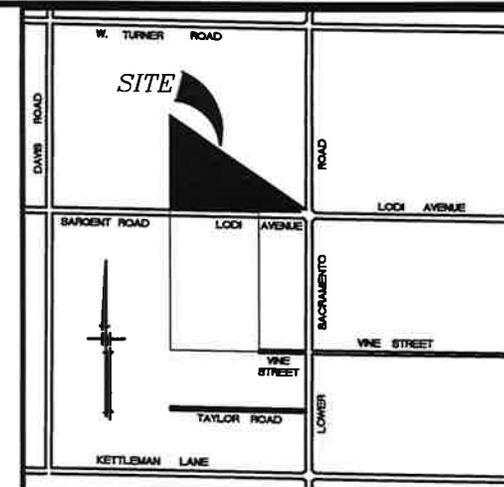
FWS/pmf

Attachments

**ANNEXATION MAP NO. 1
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SERVICES)
CITY OF LODI,
SAN JOAQUIN COUNTY
STATE OF CALIFORNIA**

LEGEND:

- EXISTING CITY LIMIT LINE SHOWN THIS
- PROPOSED ANNEXATION BOUNDARY
- ASSESSOR'S PARCEL NO.# INCLUDED IN ANNEXATION



VICINITY MAP

FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 2014.

RANDI JOHL-OLSON, CITY CLERK
CITY OF LODI

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 1 TO COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES), CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LODI AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2014, BY ITS RESOLUTION NO. 2014-_____.

RANDI JOHL-OLSON, CITY CLERK
CITY OF LODI

FILED THIS _____ DAY OF _____, 2014, AT THE HOUR OF _____ O'CLOCK _____ M. IN THE BOOK OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

KENNETH W. BLACKMORE, COUNTY RECORDER
COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA

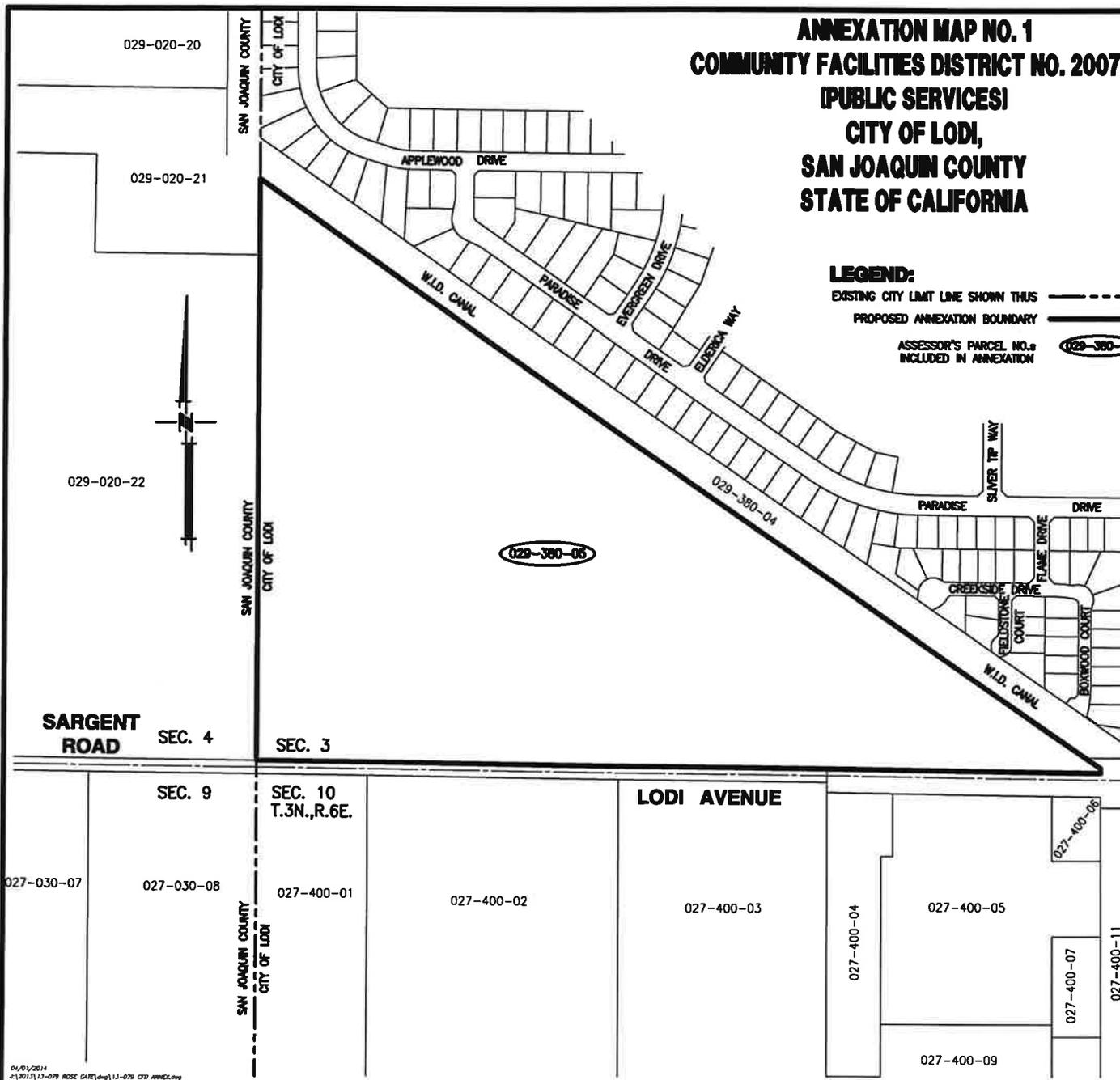
LOWER SACRAMENTO ROAD
LODI AVENUE

REFERENCE IS MADE TO THAT AMENDED BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES) OF THE CITY OF LODI RECORDED WITH THE SAN JOAQUIN COUNTY RECORDER'S OFFICE ON APRIL 19, 2007, IN BOOK 5, OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 13, AS DOCUMENT NO. 2007-078402.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE SAN JOAQUIN COUNTY ASSESSORS MAPS FOR THIS PARCELS LISTED.

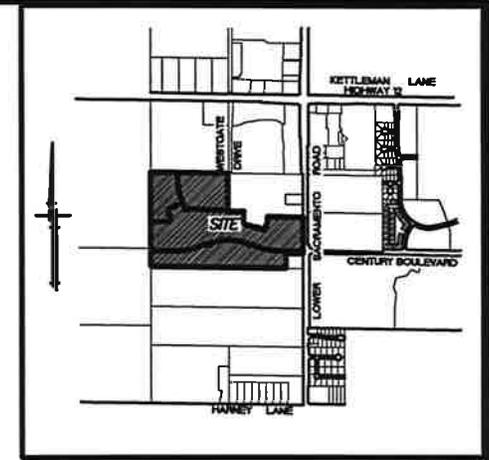
THE SAN JOAQUIN COUNTY ASSESSORS MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

MCR ENGINEERING
MCR ENGINEERING, INC.
1242 DUPONT COURT
MANTECA, CA 95336
TEL: (209) 239-6229
FAX: (209) 239-8839
www.mcr-eng.com

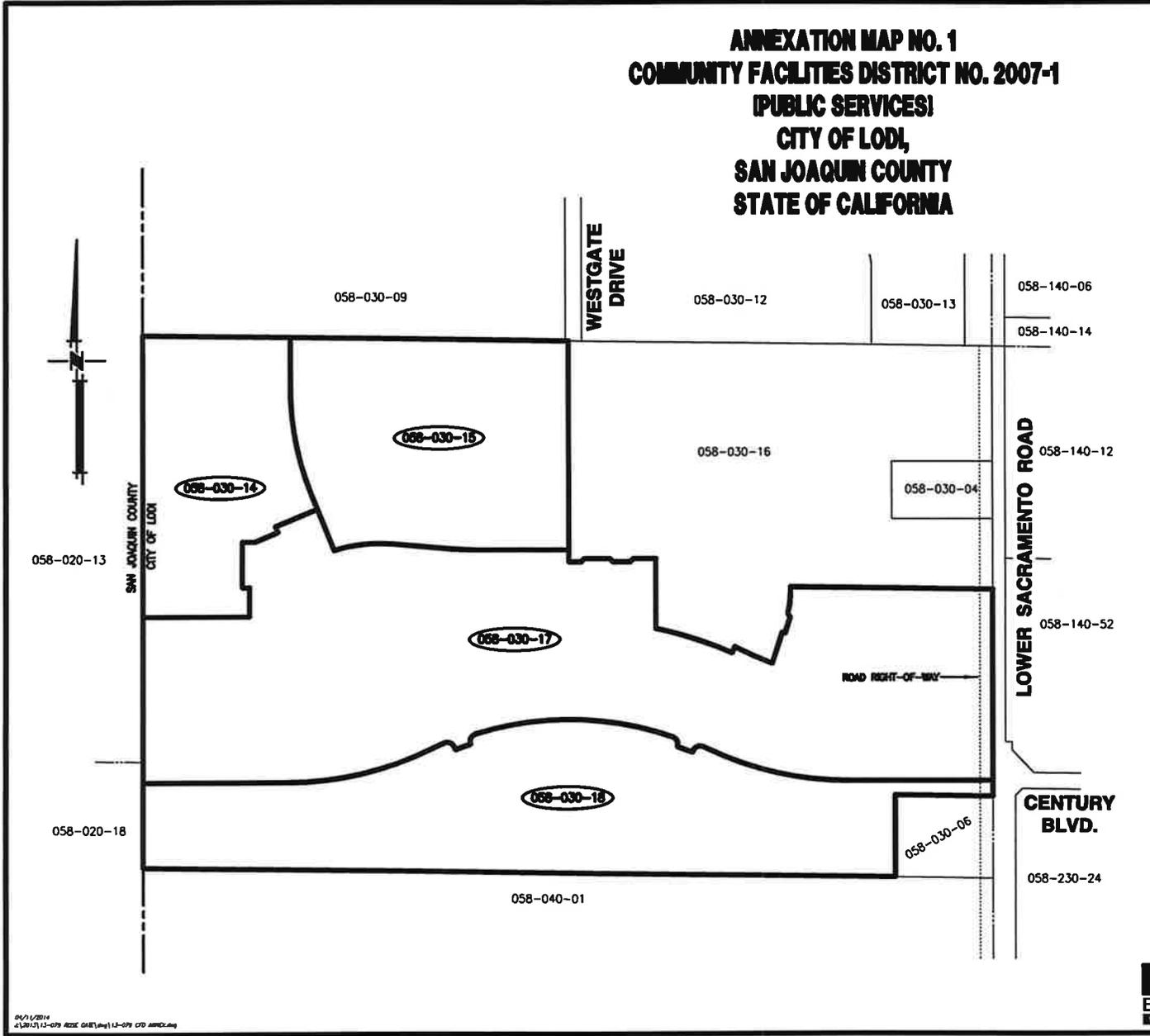


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**ANNEXATION MAP NO. 1
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SERVICES)
CITY OF LODI,
SAN JOAQUIN COUNTY
STATE OF CALIFORNIA**



VICINITY MAP



LEGEND:

- EXISTING CITY LIMIT LINE SHOWN THIS
- PROPOSED ANNEXATION BOUNDARY
- ASSESSOR'S PARCEL NO. INCLUDED IN ANNEXATION

MCR ENGINEERING
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1242 DUPONT COURT
MANTECA, CA 95336
TEL: (209) 239-6229
FAX: (209) 239-8839

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RESOLUTION NO. 2014-_____

A RESOLUTION OF THE LODI CITY COUNCIL DECLARING ITS INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES) AND TO LEVY A SPECIAL TAX TO PAY FOR CERTAIN PUBLIC SERVICES (Annexation No. 1)

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WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the City Council (the "City Council") of the City of Lodi (the "City"), on April 4, 2007 approved Resolution No. 2007-59 establishing the City of Lodi Community Facilities District No. 2007-1 (Public Services) (the "CFD"); and

WHEREAS, the City Council called a special election for April 11, 2007 at which the questions of levying a special tax and establishing an appropriations limit with respect to the CFD were submitted to the qualified electors within the CFD; and

WHEREAS, on May 2, 2007 the City Council adopted Resolution No. 2007-82 determining the results of the special election and finding that more than two-thirds (2/3) of all votes cast at the special election were cast in favor of the proposition presented, and such proposition passed; and

WHEREAS, the City Council has determined, because of the proposed development of certain property within the City, to initiate proceedings for the annexation of such property to the CFD in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that:

Section 1. Description of Territory to be Annexed. Public convenience and necessity require, and this City Council proposes and intends, that the City annex certain territory to the CFD. The territory to be annexed is described in a map entitled "Annexation Map No. 1 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California" which is on file with the City Clerk. The City Clerk is hereby authorized and directed to endorse the certificates set forth on the map and to record the map in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

Section 2. Description of Territory Included in Existing CFD. The boundaries of the territory currently included in the CFD are described in a map entitled "Amended Map of Community Facilities District No. 2007-1 (Public Services), City of Lodi, County of San Joaquin," recorded on April 19, 2007 in Book 5 of Assessment Maps at Page 13 in the Office of the San Joaquin County Recorder.

Section 3. Specification of the Type of Services Provided. The type of services to be provided in the territory proposed to be annexed to the CFD is the same as that provided in the existing CFD and are more particularly described in Exhibit A attached hereto. The services authorized to be financed by the CFD are in addition to those currently provided in the territory of the CFD and do not supplant services already available within that territory.

Section 4. Plan for Providing Services. The public services that are financed by taxes collected in the CFD will be provided to residents of the current CFD and residents of the territory proposed to be annexed on the same basis.

Section 5. Specification of Special Taxes to be Levied. Except where funds are otherwise available, a special tax sufficient to pay for all services (including incidental expenses) to be provided in or for the territory to be annexed and secured by a continuing lien against all nonexempt real property in the CFD will be annually levied within the territory proposed to be annexed to the CFD. The rate, method of apportionment, and manner of collection of such special tax is set forth in Exhibit B hereto (the "Special Tax Formula"). For purposes of the Special Tax Formula, the territory proposed to be annexed to the CFD will be designated as Annexation No.1.

Section 6. No Alteration of the Special Tax Levied in the Existing Community Facilities District. The City Council does not propose to alter the special tax rate levied within the existing CFD as a result of the proposed annexation.

Section 7. Public Hearing. The City Council hereby fixes 7:00 p.m., or as soon thereafter as practicable, on Wednesday, July 16, 2014, at the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California, as the time and place for a public hearing on the annexation of territory to the CFD.

Section 8. Notice of Hearing. The City Council directs the City Clerk to publish a notice of the hearing, in substantially the form attached hereto as Exhibit C, once not later than seven days prior to the date fixed for the hearing, in a newspaper of general circulation published in the area of the CFD.

Section 9. Effective Date. This Resolution shall take effect immediately upon its passage.

Dated: May 21, 2014

=====

I hereby certify that Resolution No. 2014-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 21, 2014, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

2014-____

EXHIBIT A

DESCRIPTION OF SERVICES

The community facilities district is established to finance any one or more of the following types of services within the District:

(a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.

(b) Fire protection and suppression services, and ambulance and paramedic services.

(c) Maintenance of parks, parkways, and open space.

(d) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection systems.

(e) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

EXHIBIT B

CITY OF LODI
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SERVICES)

RATE AND METHOD OF APPORTIONMENT (RMA) OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District (CFD) No. 2007-1 (Public Services) shall be levied and collected according to the tax liability determined by the City Council acting in its capacity as the legislative body of CFD No. 2007-1, through the application of the appropriate Special Tax rate, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate RMA is adopted for the annexation area.

A. **DEFINITIONS**

The terms hereinafter set forth have the following meanings:

"Accessory Dwelling Unit" means a second residential unit of limited size (i.e., granny cottage, second unit) that shares a Parcel with a Single Family Unit.

"Administrative Expenses" means any or all of the following: the expenses of the City in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

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

"Assessor's Parcel" or "Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by the CFD as set forth in the documents adopted by the City Council when the CFD was formed.

"CFD No. 2007-1" or "CFD" means the City of Lodi Community Facilities District No. 2007-1 (Public Services).

"City" means the City of Lodi.

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

“County” means the County of San Joaquin.

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

“Maximum Special Tax” means the maximum Special Taxes determined in accordance with Section C below that can be levied on Single Family Property and Multi-Family Property in any Fiscal Year.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in the CFD for which final building permit inspections were conducted prior to January 1 of the preceding Fiscal Year, but not prior to January 1, 2007, for construction of Multi-Family Units.

“Multi-Family Unit” means an individual residential unit within a structure with three or more residential units that share a single Assessor’s Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers. Residential units located above commercial establishments that are available exclusively for rent and cannot be purchased by individual owners shall also be characterized as Multi-Family Units for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment.

“Single Family Property” means, in any Fiscal Year, all Parcels in the CFD for which final building permit inspections were conducted prior to January 1 of the preceding Fiscal Year, but not prior to January 1, 2007, for construction of Single Family Units.

“Single Family Unit” means an individual single family detached residential unit or an individual residential unit within a half-plex, duplex, triplex, fourplex, townhome, condominium, or other structure with attached residential units that are available for sale to individual buyers, whether or not such a unit is ultimately offered for rent by an individual buyer. For-sale residential units located above commercial establishments shall also be categorized as Single Family Units for purposes of this RMA.

“Special Tax” means any tax levied within the CFD to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for the following: (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.

“Taxable Property” means both Single Family Property and Multi-Family Property.

B. DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel number for all Parcels of Taxable Property within the CFD. The Administrator shall also determine the number of Single Family and Multi-Family Units built or to be built on each Parcel of Taxable Property by referencing the building permit, condominium plan, apartment plan, site plan, or other development plan for the property.

In any Fiscal Year, if it is determined that (i) a parcel or subdivision map for a portion of property in the CFD was recorded after January 1 of the preceding 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 or subdivision map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel or subdivision map, and (iii) one or more of the newly-created Parcels meets the definition of Taxable Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel or subdivision map by determining the Special Tax that applies separately to each Parcel of Taxable Property, then applying the sum of the individual Special Taxes to the original Parcel that was subdivided by recordation of the parcel or subdivision map.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax for all Parcels of Taxable Property within the CFD shall be \$600 per Single Family Unit and \$175 per Multi Family Unit for Fiscal Year 2007-08. Beginning July 1, 2008 and each July 1 thereafter, the Maximum Special Tax in effect in the prior Fiscal Year shall be increased by the greater of (i) the increase, if any, in the Local Consumer Price Index for the San Francisco-Oakland-San Jose Area for All Urban Consumers, or (ii) five percent (5%).

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied proportionately on each Parcel of Taxable Property in the CFD up to 100% of the Maximum Special Tax determined pursuant to Section C above until the total amount levied is equal to the Special Tax Requirement for the Fiscal Year.

The Special Tax for the CFD shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet CFD No. 2007-1 financial obligations, and the Special Tax shall be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Parcels within the CFD that are not Single Family Property or Multi-Family Property. Furthermore, Accessory Dwelling Units shall not be counted in determining the Special Tax to be levied on the Parcels on which such units are located.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

EXHIBIT C

**NOTICE OF PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX TERRITORY
TO AN EXISTING COMMUNITY FACILITIES DISTRICT**

NOTICE IS HEREBY GIVEN that the City Council of the City of Lodi on May 21, 2014, adopted its Resolution No. 2014-____, in which it declared its intention to annex territory to existing Community Facilities District No. 2007-1 (Public Services) (the "CFD"), and to levy a special tax to pay for certain public services, all pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code. The resolution describes the territory to be annexed, specifies the type of services to be financed, and describes the rate and method of apportionment of the proposed special tax. No change in the tax levied in the existing CFD is proposed. For further details, the resolution is available at the office of the City Clerk, Carnegie Forum, 305 W. Pine Street, Lodi, California.

NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed July 16, 2014, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, at the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California, as the time and place when and where the City Council will hold a public hearing to consider the annexation. At the hearing, the testimony of all interested persons for or against the annexation of the territory or the levying of the special taxes will be heard.

DATED: _____

Randi Johl-Olson, City Clerk, City of Lodi

RESOLUTION NO. 2014-81

A RESOLUTION OF THE LODI CITY COUNCIL DECLARING ITS
INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES
DISTRICT NO. 2007-1 (PUBLIC SERVICES) AND TO LEVY A
SPECIAL TAX TO PAY FOR CERTAIN PUBLIC SERVICES
(Annexation No. 1)

=====

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the City Council (the "City Council") of the City of Lodi (the "City"), on April 4, 2007 approved Resolution No. 2007-59 establishing the City of Lodi Community Facilities District No. 2007-1 (Public Services) (the "CFD"); and

WHEREAS, the City Council called a special election for April 11, 2007, at which the questions of levying a special tax and establishing an appropriations limit with respect to the CFD were submitted to the qualified electors within the CFD; and

WHEREAS, on May 2, 2007, the City Council adopted Resolution No. 2007-82 determining the results of the special election and finding that more than two-thirds (2/3) of all votes cast at the special election were cast in favor of the proposition presented, and such proposition passed; and

WHEREAS, the City Council has determined, because of the proposed development of certain property within the City, to initiate proceedings for the annexation of such property to the CFD in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that:

Section 1. Description of Territory to be Annexed. Public convenience and necessity require, and this City Council proposes and intends, that the City annex certain territory to the CFD. The territory to be annexed is described in a map entitled "Annexation Map No. 1 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California," which is on file with the City Clerk. The City Clerk is hereby authorized and directed to endorse the certificates set forth on the map and to record the map in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

Section 2. Description of Territory Included in Existing CFD. The boundaries of the territory currently included in the CFD are described in a map entitled "Amended Map of Community Facilities District No. 2007-1 (Public Services), City of Lodi, County of San Joaquin," recorded on April 19, 2007, in Book 5 of Assessment Maps at Page 13 in the Office of the San Joaquin County Recorder.

Section 3. Specification of the Type of Services Provided. The type of services to be provided in the territory proposed to be annexed to the CFD is the same as that provided in the existing CFD and are more particularly described in Exhibit A attached hereto. The services authorized to be financed by the CFD are in addition to those currently provided in the territory of the CFD and do not supplant services already available within that territory.

Section 4. Plan for Providing Services. The public services that are financed by taxes collected in the CFD will be provided to residents of the current CFD and residents of the territory proposed to be annexed on the same basis.

Section 5. Specification of Special Taxes to be Levied. Except where funds are otherwise available, a special tax sufficient to pay for all services (including incidental expenses) to be provided in or for the territory to be annexed and secured by a continuing lien against all nonexempt real property in the CFD will be annually levied within the territory proposed to be annexed to the CFD. The rate, method of apportionment, and manner of collection of such special tax is set forth in Exhibit B hereto (the "Special Tax Formula"). For purposes of the Special Tax Formula, the territory proposed to be annexed to the CFD will be designated as Annexation No.1.

Section 6. No Alteration of the Special Tax Levied in the Existing Community Facilities District. The City Council does not propose to alter the special tax rate levied within the existing CFD as a result of the proposed annexation.

Section 7. Public Hearing. The City Council hereby fixes 7:00 p.m., or as soon thereafter as practicable, on Wednesday, July 16, 2014, at the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California, as the time and place for a public hearing on the annexation of territory to the CFD.

Section 8. Notice of Hearing. The City Council directs the City Clerk to publish a notice of the hearing, in substantially the form attached hereto as Exhibit C, once not later than seven days prior to the date fixed for the hearing, in a newspaper of general circulation published in the area of the CFD.

Section 9. Effective Date. This Resolution shall take effect immediately upon its passage.

Dated: May 21, 2014

=====

I hereby certify that Resolution No. 2014-81 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 21, 2014, by the following vote:

AYES: COUNCIL MEMBERS – Johnson, Mounce, Nakanishi, and
Mayor Katzakian

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Hansen

ABSTAIN: COUNCIL MEMBERS – None


JENNIFER M. ROBISON
Assistant City Clerk

EXHIBIT A

DESCRIPTION OF SERVICES

The community facilities district is established to finance any one or more of the following types of services within the District:

- (a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.
- (b) Fire protection and suppression services, and ambulance and paramedic services.
- (c) Maintenance of parks, parkways, and open space.
- (d) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection systems.
- (e) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

EXHIBIT B

CITY OF LODI
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SERVICES)

RATE AND METHOD OF APPORTIONMENT (RMA) OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District (CFD) No. 2007-1 (Public Services) shall be levied and collected according to the tax liability determined by the City Council acting in its capacity as the legislative body of CFD No. 2007-1, through the application of the appropriate Special Tax rate, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate RMA is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Dwelling Unit" means a second residential unit of limited size (i.e., granny cottage, second unit) that shares a Parcel with a Single Family Unit.

"Administrative Expenses" means any or all of the following: the expenses of the City in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

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

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by the CFD as set forth in the documents adopted by the City Council when the CFD was formed.

"CFD No. 2007-1" or **"CFD"** means the City of Lodi Community Facilities District No. 2007-1 (Public Services).

"City" means the City of Lodi.

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

“County” means the County of San Joaquin.

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

“Maximum Special Tax” means the maximum Special Taxes determined in accordance with Section C below that can be levied on Single Family Property and Multi-Family Property in any Fiscal Year.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in the CFD for which final building permit inspections were conducted prior to January 1 of the preceding Fiscal Year, but not prior to January 1, 2007, for construction of Multi-Family Units.

“Multi-Family Unit” means an individual residential unit within a structure with three or more residential units that share a single Assessor’s Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers. Residential units located above commercial establishments that are available exclusively for rent and cannot be purchased by individual owners shall also be characterized as Multi-Family Units for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment.

“Single Family Property” means, in any Fiscal Year, all Parcels in the CFD for which final building permit inspections were conducted prior to January 1 of the preceding Fiscal Year, but not prior to January 1, 2007, for construction of Single Family Units.

“Single Family Unit” means an individual single family detached residential unit or an individual residential unit within a half-plex, duplex, triplex, fourplex, townhome, condominium, or other structure with attached residential units that are available for sale to individual buyers, whether or not such a unit is ultimately offered for rent by an individual buyer. For-sale residential units located above commercial establishments shall also be categorized as Single Family Units for purposes of this RMA.

“Special Tax” means any tax levied within the CFD to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for the following: (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.

“Taxable Property” means both Single Family Property and Multi-Family Property.

B. DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel number for all Parcels of Taxable Property within the CFD. The Administrator shall also determine the number of Single Family and Multi-Family Units built or to be built on each Parcel of Taxable Property by referencing the building permit, condominium plan, apartment plan, site plan, or other development plan for the property.

In any Fiscal Year, if it is determined that (i) a parcel or subdivision map for a portion of property in the CFD was recorded after January 1 of the preceding 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 or subdivision map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel or subdivision map, and (iii) one or more of the newly-created Parcels meets the definition of Taxable Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel or subdivision map by determining the Special Tax that applies separately to each Parcel of Taxable Property, then applying the sum of the individual Special Taxes to the original Parcel that was subdivided by recordation of the parcel or subdivision map.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax for all Parcels of Taxable Property within the CFD shall be \$600 per Single Family Unit and \$175 per Multi Family Unit for Fiscal Year 2007-08. Beginning July 1, 2008 and each July 1 thereafter, the Maximum Special Tax in effect in the prior Fiscal Year shall be increased by the greater of (i) the increase, if any, in the Local Consumer Price Index for the San Francisco-Oakland-San Jose Area for All Urban Consumers, or (ii) five percent (5%).

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied proportionately on each Parcel of Taxable Property in the CFD up to 100% of the Maximum Special Tax determined pursuant to Section C above until the total amount levied is equal to the Special Tax Requirement for the Fiscal Year.

The Special Tax for the CFD shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet CFD No. 2007-1 financial obligations, and the Special Tax shall be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Parcels within the CFD that are not Single Family Property or Multi-Family Property. Furthermore, Accessory Dwelling Units shall not be counted in determining the Special Tax to be levied on the Parcels on which such units are located.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

EXHIBIT C

**NOTICE OF PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX TERRITORY
TO AN EXISTING COMMUNITY FACILITIES DISTRICT**

NOTICE IS HEREBY GIVEN that the City Council of the City of Lodi on May 21, 2014, adopted its Resolution No. 2014-____, in which it declared its intention to annex territory to existing Community Facilities District No. 2007-1 (Public Services) (the "CFD"), and to levy a special tax to pay for certain public services, all pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code. The resolution describes the territory to be annexed, specifies the type of services to be financed, and describes the rate and method of apportionment of the proposed special tax. No change in the tax levied in the existing CFD is proposed. For further details, the resolution is available at the office of the City Clerk, Carnegie Forum, 305 W. Pine Street, Lodi, California.

NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed July 16, 2014, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, at the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California, as the time and place when and where the City Council will hold a public hearing to consider the annexation. At the hearing, the testimony of all interested persons for or against the annexation of the territory or the levying of the special taxes will be heard.

DATED: _____

Randi Johl-Olson, City Clerk, City of Lodi



***Please immediately confirm receipt
of this fax by calling 333-6702***

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

**SUBJECT: PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX
TERRITORY TO AN EXISTING COMMUNITY FACILITIES DISTRICT**

PUBLISH DATE: SATURDAY, JUNE 7, 2014

LEGAL AD

TEAR SHEETS WANTED: One (1) please

**SEND AFFIDAVIT AND BILL TO:
LNS ACCT. #0510052**

RANDI JOHL-OLSON, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, JUNE 5, 2014

**ORDERED BY: RANDI JOHL-OLSON
CITY CLERK**


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)
Phoned to confirm receipt of all pages at _____ (time) _____ MD _____ JMR (initials)



DECLARATION OF POSTING

PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX TERRITORY TO AN EXISTING COMMUNITY FACILITIES DISTRICT

On Thursday, June 5, 2014, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing on resolution of intention to annex territory to an existing Community Facilities District (attached and marked as Exhibit A) was posted at the following locations:

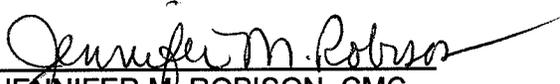
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 5, 2014, at Lodi, California.

ORDERED BY:

**RANDI JOHL-OLSON
CITY CLERK**


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: July 16, 2014

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl-Olson,
City Clerk
Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX TERRITORY TO AN EXISTING COMMUNITY FACILITIES DISTRICT

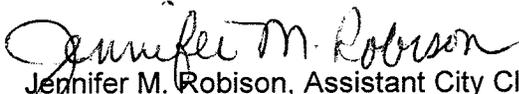
NOTICE IS HEREBY GIVEN that the City Council of the City of Lodi on May 21, 2014, adopted Resolution No. 2014-81, in which it declared its intention to annex territory to existing Community Facilities District No. 2007-1 (Public Services) (the "CFD"), and to levy a special tax to pay for certain public services, all pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code. The resolution describes the territory to be annexed, specifies the type of services to be financed, and describes the rate and method of apportionment of the proposed special tax. No change in the tax levied in the existing CFD is proposed. For further details, the resolution is available at the office of the City Clerk, 221 West Pine Street, Lodi, California.

NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed July 16, 2014, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, at the Carnegie Forum, 305 West Pine Street, Lodi, California, as the time and place when and where the City Council will hold a public hearing to consider the annexation. At the hearing, the testimony of all interested persons for or against the annexation of the territory or the levying of the special taxes will be heard.

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

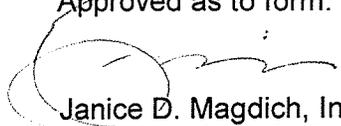
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:


Jennifer M. Robison, Assistant City Clerk

Dated: May 21, 2014

Approved as to form:


Janice D. Magdich, Interim City Attorney