

ORDINANCE NO. 3456

ORDINANCE OF THE CITY OF CHULA VISTA ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 14M-2 (EASTERN URBAN CENTER/MILLENIA), AUTHORIZING THE LEVY OF A SPECIAL TAX IN SUCH COMMUNITY FACILITIES DISTRICT

WHEREAS, the City Council of the City of Chula Vista, California (the “City Council”), has initiated proceedings, held a public hearing, conducted an election and received a favorable vote from the qualified electors authorizing the levy of special taxes in a community facilities district, all as authorized pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”) and the City of Chula Vista Community Facilities District Ordinance enacted pursuant to the powers reserved by the City of Chula Vista under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the “Ordinance”) (the Act and the Ordinance may be referred to collectively as the “Community Facilities District Law”). This community facilities district shall hereinafter be referred to as Community Facilities District No. 14M-2 (Eastern Urban Center/Millenia) (“CFD No. 14M-2”).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHULA VISTA, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 14M-2 (EASTERN URBAN CENTER/MILLENIA), DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. This City Council does, by the passage of this ordinance, authorize the levy of special taxes on taxable properties located in CFD No. 14M-2 pursuant to the Rate and Method of Apportionment of Special Taxes as set forth in Exhibit “A” attached hereto and incorporated herein by this reference (the “Rate and Method”).

SECTION 2. This City Council, acting as the legislative body of CFD No. 14M-2, is hereby further authorized, by resolution, to annually determine the special tax to be levied within CFD No. 14M-2 for the then current tax year or future tax years; provided, however, the special tax to be levied shall not exceed the maximum special tax authorized to be levied pursuant to the Rate and Method.

SECTION 3. The special taxes herein authorized to be levied, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes; provided, however, CFD No. 14M-2 may utilize a direct billing procedure for any special taxes that cannot be collected on the County tax roll or may, by resolution, elect to collect the special taxes at a different time or in a different manner if necessary to meet its financial obligations.

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SECTION 4. The special taxes authorized to be levied shall be secured by the lien imposed pursuant to Sections 3114.5 and 3115.5 of the Streets and Highways Code of the State of California, which lien shall be a continuing lien and shall secure each levy of the special taxes. The lien of the special taxes shall continue in force and effect until the special tax ceases to be levied by the City Council in the manner provided in Section 53330.5 of said Government Code.

SECTION 5. This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this Ordinance to be published in a newspaper of general circulation in the City pursuant to the provisions of Chula Vista's City Charter, Section 312(b).


[SIGNATURES ON THE FOLLOWING PAGE]

Presented by

Approved as to form by

DocuSigned by:  
  
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Kelly G. Broughton, FASLA  
Director of Development Services

DocuSigned by:  
  
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Glen R. Googins  
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 21st day of May 2019, by the following vote:

AYES: Councilmembers: Diaz, Galvez, McCann, Padilla, and Casillas Salas


NAYS: Councilmembers: None

ABSENT: Councilmembers: None

DocuSigned by:  
  
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Mary Casillas Salas, Mayor

ATTEST:

DocuSigned by:  
  
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Kerry K. Bigelow, MMC, City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF SAN DIEGO    )  
CITY OF CHULA VISTA     )

I, Kerry K. Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Ordinance No. 3456 had its first reading at a regular meeting held on the 7th day of May 2019 and its second reading and adoption at a regular meeting of said City Council held on the 21st day of May 2019; and was duly published in summary form in accordance with the requirements of state law and the City Charter.

5/24/2019

Dated

DocuSigned by:  
  
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Kerry K. Bigelow, MMC, City Clerk

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EXHIBIT A

**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF CHULA VISTA  
COMMUNITY FACILITIES DISTRICT NO. 14M-2  
(EASTERN URBAN CENTER/MILLENNIA)**

A Special Tax of Community Facilities District No. 14M-2 (Eastern Urban Center/Millenia) (“CFD No. 14M-2”) of the City of Chula Vista shall be levied on all Taxable Property in CFD No. 14M-2 and collected each Fiscal Year commencing in Fiscal Year 2019-2020 in an amount determined through the application of the rate and method of apportionment of the Special Tax set forth below. All such Taxable Property shall be taxed for the purposes, to the extent, and in the manner herein provided. Taxable Property shall not be subject to the Special Taxes of CFD No. 14M-2 until the lien of the special taxes of CFD No. 14M IA 1 (defined below) with respect to such Taxable Property has been cancelled.

**DEFINITIONS**

The terms hereinafter set forth have the following meanings:

“**A’ Map**” shall mean a master final subdivision or parcel map, filed in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.) and the Chula Vista Municipal Code, which subdivides the land or a portion thereof shown on a tentative map into “super block” lots corresponding to units or phasing of combination of units as shown on such tentative map and which may further show open space lot dedications, backbone street dedications and utility easements required to serve such “super block” lots.

“**Acre**” or “**Acreage**” means 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 Subdivision Map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. In the event that parcel acreage information is not available from the sources previously listed, San Diego County GIS data may be utilized. The square footage of an Assessor’s Parcel is equal to the Acreage multiplied by 43,560.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the actual or estimated costs incurred by the City, acting for and on behalf of CFD No. 14M-2 as the administrator thereof, to determine, levy and collect the Special Taxes within CFD No. 14M-2, including salaries and benefits of City employees and a proportionate amount of the City’s general administrative overhead related thereto, and the fees of consultants and legal counsel providing services related to the administration of CFD No. 14M-2; the costs of collecting installments of the Special Taxes within CFD No. 14M-2; and any other costs required to administer CFD No. 14M-2 as determined by the City.

**“Apartment Property”** means a Dwelling Unit within a building comprised of attached residential Dwelling Units available for rental by the general public, not for sale to an end user, and under common management, as determined by the CFD Administrator.

**“Approved Property”** means all Assessor’s Parcels of Taxable Property: (i) that are included in an ‘A’ Map, excluding lettered lots thereon, or a Final Subdivision Map, excluding lettered lots thereon, that were recorded prior to the March 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied, and (ii) that have not been issued a building permit prior to the March 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied.

**“Assessor’s 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 Assessor of the County designating parcels by assessor’s parcel number.

**“Attached Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued for a residential structure consisting of two or more residential Dwelling Units that share common walls, including, but not limited to, duplexes, triplexes, townhomes, and condominiums, as determined by the CFD Administrator.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the CFD No. 14M-2 Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14M”** means Community Facilities District No. 14M (Eastern Urban Center/Millenia) established by the City of Chula Vista under the Act and the CFD Ordinance.

**“CFD No. 14M IA 1”** means Improvement Area No. 1 of Community Facilities District No. 14M (Eastern Urban Center/Millenia) established by the City of Chula Vista under the Act and the CFD Ordinance.

**“CFD No. 14M IA 1 RMA”** means the Rate and Method of Apportionment set forth in the Notice of Special Tax Lien for CFD No. 14M IA 1 recorded in the Official Records of the San Diego County Recorder on February 21, 2014, as Doc. #2014-0071300.

**“CFD No. 14M IA 1 Special Tax Requirement”** shall have the meaning given the term “Improvement Area No. 1 Special Tax Requirement” in the CFD No. 14M IA 1 RMA.

**“CFD No. 14M-2”** means Community Facilities District No. 14M-2 (Eastern Urban Center/Millenia) established by the City of Chula Vista under the Act and the CFD Ordinance.

**“CFD No. 14M-2 Special Tax Requirement”** means that amount calculated in Section D. required in any Fiscal Year for CFD No. 14M-2 to: (i) pay the Operating Fund Requirement; (ii) pay any amounts required to establish or replenish the Reserve Fund to the Reserve Fund Requirement; (iii) pay for reasonably anticipated delinquent Special Taxes within CFD No. 14M-2 based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (b) a credit for funds available to reduce the annual Special Tax levy, including the excess, if any, in the Reserve Fund above the Reserve Fund Requirement and any amount remaining in the Operating Fund that is available to pay the Operating Fund Requirement in such Fiscal Year.

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“**CFD No. 14M-2 Boundary Map**” means a recorded map of the CFD No. 14M-2 which indicates the boundaries of the CFD No. 14M-2.

“**CFD Ordinance**” means the City of Chula Vista Community Facilities District Ordinance, as originally enacted and as subsequently amended pursuant to the powers reserved by the City under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California

“**City**” means the City of Chula Vista.

“**City Clerk**” means the City Clerk for the City of Chula Vista or his or her designee.

“**City Manager**” means the City Manager for the City of Chula Vista or his or her designee.

“**Community Purpose Facility Property**” or “**CPF Property**” means all Assessors’ Parcels which are classified as community purpose facilities and meet the requirements of City of Chula Vista Ordinance No. 2452.

“**Council**” means the City Council of the City of Chula Vista, acting as the legislative body of the CFD No. 14M-2.

“**County**” means the County of San Diego, California.

“**Detached Residential Property**” means all Assessor’s Parcels of Developed Property for which a building permit has been or may be issued for purposes of constructing a detached Dwelling Unit on an Assessor’s Parcel. Such Residential Unit does not or will not share a common wall with another residential Dwelling Unit, as determined by the CFD Administrator.

“**Developed Property**” means all Taxable Property for which a building permit was issued prior to the March 1st preceding the Fiscal Year in which the Special Tax is being levied.

“**Dwelling Unit**” means each separate residential dwelling unit that comprises an independent facility separate from adjacent residential dwelling units.

“**Final Subdivision Map**” means a subdivision of property creating buildable lots by recordation of a final subdivision map or parcel map pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), or recordation of a condominium plan pursuant to California Civil Code 4285, that creates individual lots for which building permits may be issued without further subdivision and is recorded prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied.

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

“**Land Use Class**” means any of the classes listed in Table 1.

“**Maximum Special Tax**” means the maximum Special Tax, determined in accordance with Section C below, that may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Mixed-Use Property”** means all Assessor’s Parcels that have been classified by the City to allow both Residential Property and Non-Residential Property uses on each such Assessor’s Parcel. For an Assessor’s Parcel of Mixed-Use Property, only the Residential Land Use Class thereon is subject to taxation pursuant to the provisions of Section C.

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit(s) has been issued for a structure or structures for non-residential use.

**“Operating Fund”** means a fund that shall be maintained by the City for CFD No. 14M-2 for each Fiscal Year to pay for the authorized maintenance services as described in CFD No. 14M-2 special tax report and Administrative Expenses.

**“Operating Fund Requirement”** means, for any Fiscal Year, an amount equal to the budgeted costs for CFD No. 14M-2. The budgeted costs for CFD No. 14M-2 shall equal the budget costs of park maintenance, landscape maintenance, street frontage maintenance, bio-retention maintenance, storm water maintenance, and the maintenance, repair and replacement of the facilities and improvements, which have been accepted and or maintained by the City during the current Fiscal Year; plus the budgeted Administrative Expenses for the current Fiscal Year in which Special Taxes are levied.

**“Overall Special Tax Requirement”** means that amount required in any Fiscal Year to be included in the CFD No. 14M-2 Special Tax Requirement and the CFD No. 14M IA 1 Special Tax Requirement as determined in Section D.

**“Property Owner Association Property”** means any property within the CFD No. 14M-2 boundaries that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association.

**“Proportionately”** means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Property within each Land Use Class.

**“Public Property”** means any property within CFD No. 14M-2 boundaries that has provided proof to the City prior to March 1st preceding the Fiscal Year in which the Special Tax is being levied, that it is expected to be used for any public purpose and is owned by or dedicated to the federal government, the State, the County, the City or any other public agency.

**“Reserve Fund”** means a fund that shall be maintained for CFD No. 14M-2 for each Fiscal Year to provide necessary cash flow for the first six months of each Fiscal Year, reserve capital to cover monitoring, maintenance and repair cost overruns and delinquencies in the payment of Special Taxes within CFD No. 14M-2 and a reasonable buffer to prevent large variations in annual Special Tax levies within CFD No. 14M-2.

**“Reserve Fund Requirement”** means an amount equal to up to 100% of the CFD No. 14M-2 Operating Fund Requirement for any Fiscal Year.

**“Residential Property”** means all Assessor’s Parcels of Developed Property classified as Apartment Property, Attached Residential Property, or Detached Residential Property for which a building permit(s) has been issued for purposes of constructing one or more residential Dwelling Units.

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**“Special Tax”** means the Special Tax levied pursuant to the provisions of sections D and E below in each Fiscal Year on each Assessor’s Parcel of Developed Property, Approved Property, and Undeveloped Property in CFD No. 14M-2 to fund the CFD No. 14M-2 Special Tax Requirement.

**“State”** means the State of California.

**“Taxable CPF Property”** means all CPF Property which is not exempt from the Special Tax pursuant to Section F below.

**“Taxable Property”** means, all of the Assessor’s Parcels within the boundaries of CFD No. 14M-2 that are not exempt from the Special Tax pursuant to law or as defined below under Tax-Exempt Property.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property which is not exempt from the Special Tax pursuant to Section F below.

**“Tax-Exempt Property”** means an Assessor’s Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, or (ii) Property Owner Association Property excluding Taxable Property Owner Association Property, or (iii) Assessor’s Parcels of Taxable CPF Property that is owned by a non-profit organization and has provided proof to the City prior to the March 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied of the organization’s non-profit status, or (iv) Assessor’s Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Approved Property, Taxable Property Owner Association Property, or Taxable CPF Property.

## **ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year using the definitions above, each Assessor’s Parcel within CFD No. 14M-2 shall be classified as Taxable Property or Exempt Property. In addition, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable CPF Property.

Each Assessor’s Parcel classified as Developed Property shall be further assigned to a Land Use Class as specified in Table 1. The Land Use Class of each Assessor’s Parcel of Residential Property or Mixed-Use Property shall be determined based on the records of the San Diego County Assessor, or other such information provided by the City.

Taxable Property Owner Association Property and Taxable CPF Property shall be taxed as Non-Residential Property when any such Assessor’s Parcel is classified as Developed Property. If any such Assessor’s Parcel is undeveloped, it shall be classified as Undeveloped Property.



**MAXIMUM SPECIAL TAX RATE****1. Developed Property**

**TABLE 1  
MAXIMUM SPECIAL TAX FOR DEVELOPED PROPERTY**

<b>Land Use Class</b>	<b>Description</b>	<b>Maximum Special Tax (FY 2018/19)</b>
1	Apartment Property	\$206.82 per Dwelling Unit
2	Attached Residential Property	\$275.76 per Dwelling Unit
3	Detached Residential Property	\$344.70 per Dwelling Unit
4	Non-Residential Property	\$1,377.71 per Acre

**Mixed-Use Property Land Use Classes**

The Maximum Special Tax that may be levied on Mixed Use Property Assessor's Parcel shall only be levied on the Residential Property Land Use Class(es) located on that Assessor Parcel(s).

**Sample Maximum Special Tax Calculation for Mixed Use Property**

Under the proposed example, assume that Assessor's Parcel Number 1 is classified as a Mixed-Use Property. Assessor's Parcel Number 1 is a 2 Acre parcel that contains Non-Residential Property consisting of 10,000 square feet of retail shops and Apartment Property consisting of 10 residential Dwelling Units. The following table shows what the expected annual Maximum Special Tax would be for Assessor's Parcel Number 1.

<b>Assessor Parcel No.</b>	<b>Parcel Acreage</b>	<b>No. of Residential Dwelling Units</b>	<b>Non-Residential Property Maximum Special Tax</b>	<b>Residential Property Maximum Special Tax</b>	<b>Total Annual Maximum Special Tax<sup>(1)</sup></b>
1	2.00	10	\$0.00	\$2,068.20	\$2,068.20

<sup>(1)</sup> The Maximum Special Tax is based upon the initial Maximum Special Tax rates as defined in Table 1.

**2. Approved Property and Undeveloped Property**

The Maximum Special Tax for Approved Property and Undeveloped Property shall be \$4,359.00 per Acre.

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**Annual Escalation of Maximum Special Tax**

On each July 1, commencing on July 1, 2019, the Maximum Special Tax for CFD No. 14M-2 as shown in Tables 1 above that may be levied on each Assessor's Parcel of Taxable Property in CFD No. 14M-2 shall be adjusted by a factor equal to the greater of, the positive percentage change in the San Diego Metropolitan Area All Urban Consumer Price Index (All Items) for the twelve-month period ending June 1 of the prior Fiscal Year or 0%, provided the Maximum Special Tax shall never be less than the amounts shown in Table 1.

**CALCULATION OF OVERALL SPECIAL TAX REQUIREMENT  
PROPORTIONALITY**

Each Fiscal Year, an Overall Special Tax Requirement for CFD No. 14M-2 and CFD No. 14M IA 1 shall be calculated initially as the same amount as the CFD No. 14M IA 1 Special Tax Requirement would have been calculated prior to the creation of CFD No. 14M-2.

Then, for purposes of the levy of Special Taxes within CFD No. 14M-2, the amount of the CFD No. 14M-2 Special Tax Requirement shall be an amount equal to the Overall Special Tax Requirement less the amount of the levy of special taxes in CFD No. 14M IA 1 on Developed Property at 100% of the Maximum Special Tax (as such terms are defined in the CFD No. 14M IA 1 RMA).

If the amount of Developed Property Maximum Special Taxes that can be collected in that Fiscal Year within CFD No. 14M-2 exceeds the CFD No. 14M-2 Special Tax Requirement, then the levy on Developed Property in both CFD No. 14M IA 1 and CFD No. 14M-2 shall be reduced Proportionately to the amount required to fund the Overall Special Tax Requirement.

If the amount of Developed Property Maximum Special Taxes that can be collected in that Fiscal Year within CFD No. 14M-2 is less than the CFD No. 14M-2 Special Tax Requirement, then all Approved Property in both CFD No. 14M IA 1 and CFD No. 14M-2 shall be taxed Proportionately, up to 100% of the applicable Maximum Special Tax, as necessary to satisfy the Overall Special Tax Requirement, and the CFD No. 14M-2 Special Tax Requirement shall include such amount to be levied on Approved Property in CFD No. 14M-2.

If the combined amount of Developed Property and Approved Property Special Taxes that can be collected in that Fiscal Year within both CFD No. 14M IA 1 and CFD No. 14M-2 is less than the Overall Special Tax Requirement, then all Undeveloped Property in both CFD No. 14M IA 1 and CFD No. 14M-2 shall be taxed Proportionately, up to 100% of the Maximum Special Tax, as necessary to satisfy the Overall Special Tax Requirement, and the CFD No. 14M-2 Special Tax Requirement shall include such amount to be levied on Undeveloped Property in CFD No. 14M-2.

If the combined amount of Developed Property, Approved Property, and Undeveloped Property Special Taxes that can be collected in that Fiscal Year within both CFD No. 14M IA 1 and CFD No. 14M-2 is less than the Overall Special Tax Requirement, then all Taxable Property Owner Association Property and Taxable CPF Property in both CFD No. 14M IA 1 and CFD No. 14M-2 shall be taxed Proportionately, up to 100% of the Maximum Special Tax, as necessary to satisfy the Overall Special Tax Requirement, and the CFD No. 14M-2 Special Tax Requirement shall include such amount to be levied on all Taxable Property Owner Association Property and Taxable CPF Property in CFD No. 14M-2.

**METHOD OF APPORTIONMENT OF THE SPECIAL TAX FOR CFD No. 14M-2**

Commencing with Fiscal Year 2019-2020, and for each following Fiscal Year, the Council shall levy the Special Tax in CFD No. 14M-2 at the rates established pursuant to steps 1 through 4 below so that the amount of the Special Tax levied equals the CFD No. 14M-2 Special Tax Requirement as determined in Section D above. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax for Developed Property;

Second: If additional monies are needed to satisfy the CFD No. 14M-2 Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

Third: If additional monies are needed to satisfy the CFD No. 14M-2 Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional moneys are needed to satisfy the CFD No. 14M-2 Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property and Taxable CPF Property, at up to 100% of the Maximum Special Tax for Taxable Property Owner Association Property or Taxable CPF Property, as applicable.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Apartment Residential Property, Attached Residential Property, or Detached Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent annually up to the Maximum Special Tax as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 14M-2.

**EXEMPTIONS**

The CFD Administrator shall classify as Tax-Exempt Property (i) Assessor's Parcels defined as Public Property, (ii) Assessor's Parcels defined as CPF Property that are owned by a non-profit organization which provides proof to the City prior to March 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied of the organization's non-profit status, and (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement.

The CFD Administrator shall classify as Tax-Exempt Property within CFD No. 14M-2 those Assessor's Parcels defined as Property Owner's Association Property or CPF Property provided that no such classification would reduce the sum of all Taxable Property within CFD No. 14M-2 to less than 80.06 Acres. Assessor's Parcels defined as Property Owner Association Property and CPF Property that cannot be classified as Tax-Exempt Property will be classified as Taxable Property Owner Association Property or Taxable CPF Property and shall be taxed as part of the fourth step in Section D.

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The CFD Administrator will assign tax-exempt status in the chronological order in which property becomes exempt Public Property or CPF Property or Tax-Exempt Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or CPF Property or Tax-Exempt Property Owner Association Property, its tax-exempt status will be revoked.

Taxable Property Owner Association Property and Taxable CPF Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fourth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property and Taxable CPF Property.

### **APPEALS**

Any landowner or resident who pays the Special Tax and believes that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error. If following such consultation, the CFD Administrator determines that an error has occurred; the CFD Administrator may amend the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any by the CFD Administrator, the landowner or resident believes such error still exists; such person may file a written notice with the City Clerk of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. Upon the receipt of any such notice, the City Clerk shall forward a copy of such notice to the City Manager who shall establish as part of the proceedings and administration of CFD No. 14M-2, a special three-member committee (the "Review/Appeal Committee"). The Review/Appeal Committee may establish such procedures, as it deems necessary to undertake the review of any such appeal. The Review/Appeal Committee shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals, as herein specified. The decision of the Review/Appeal Committee shall be final and binding as to all persons.

### **MANNER OF COLLECTION**

Special Taxes levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the CFD Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 14M-2 or as otherwise determined appropriate by the CFD Administrator.

### **TERM OF SPECIAL TAX**

Taxable Property of CFD No. 14M-2 shall remain subject to the Special Tax in perpetuity or until the Council takes appropriate actions to terminate the Special Tax pursuant to the Act and the CFD Ordinance.