

ORDINANCE NO. 2017-003

**AN ORDINANCE OF THE CITY OF KINGSBURG AUTHORIZING THE
LEVY OF A SPECIAL TAX WITHIN COMMUNITY SERVICES DISTRICT
NO. 2017-01 (PUBLIC SERVICES DISTRICT)**

The City Council for the City of Kingsburg does ordain as follows:

Section 1.

RECITALS

A. On May 3, 2017, the City Council ("**City Council**") for the City of Kingsburg ("**City**") adopted Resolution No. 2017-017 stating its intention to form City of Kingsburg Community Facilities District No. 2017-01 (Public Services District) ("**CFD 2017-01**") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act") to finance the provision of public services within CFD 2017-01.

B. On June 7, 2017, the City Council held a duly noticed public hearing as required by the Act concerning the formation of CFD 2017-01, including the rate and method of apportionment of the special tax to be levied within CFD 2017-01 ("**Special Tax**") and the areas proposed to be annexed to CFD 2017-01.

C. At the public hearing, all interested persons desiring to be heard on all matters pertaining to the formation of CFD 2017-01 were heard and a full and fair hearing was held.

D. Following the public hearing, the City Council adopted Resolution No. 2017-023 determining the validity of prior proceedings and establishing CFD 2017-01 ("**Resolution of Formation**").

E. Following the public hearing, the City Council also adopted, Resolution No. 2017-024 calling for a special election within CFD 2017-01 for June 7, 2017 on the proposition of levying the Special Tax within CFD 2017-01 ("**Proposition**").

F. On June 7, 2017, an election was held within CFD 2017-01 in which the qualified electors approved the Proposition by more than a two-thirds (2/3) vote.

Section 2. Levy of Special Tax. The Special Tax is hereby levied within the boundaries of CFD 2017-01 pursuant to the rate and method of apportionment set forth in Exhibit "A." attached hereto and incorporated herein by reference, in an amount necessary to pay for the costs of providing the public services described in the Resolution of Formation.

Section 3. Annual Special Tax Levy. The legislative body of CFD 2017-01 is hereby authorized each year, by resolution adopted pursuant to Government Code Section 53340, to determine the specific special tax rate and amount to be levied for the then-current or future tax years, except that the special tax rate to be levied shall not exceed the maximum rate set forth in Exhibit "A."

Section 4. Use of Proceeds. All Special Tax proceeds shall be used as provided for in the Act and the Resolution of Formation. The Special Tax shall be levied only for so long as needed for the purposes described in the Resolution of Formation.

Section 5. **Manner of Collection.** The Special Tax shall be collected in the same manner as ordinary ad valorem property taxes and shall be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for ad valorem taxes; provided, however, that CFD 2017-01 may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

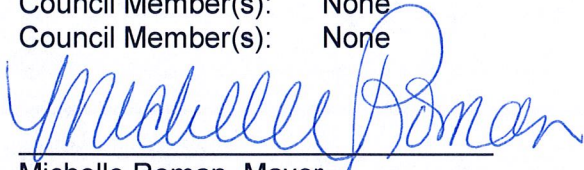
Section 6. **Inconsistency.** To the extent that the terms and provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinances, resolutions, rules or regulations governing the same subject, the terms and provisions of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistent or conflicting provisions of prior ordinances, resolutions, rules or regulations are hereby repealed as of the effective date of this Ordinance.

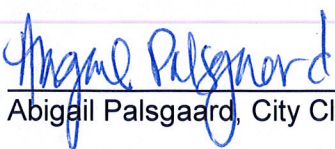
Section 7. **Invalidity.** If any provision of this Ordinance or application thereof to any person or circumstance is held invalid, no other provision of this Ordinance shall be affected thereby.

Section 8. **Publication.** This ordinance shall take effect thirty (30) days after passage. Prior to the expiration of fifteen (15) days from the passage hereof this Ordinance shall be published once in a local newspaper of general circulation and delivered within Kingsburg, together with the names of the members of the City Council voting for and against this matter.

The foregoing ordinance was passed and adopted by the City Council of the City of Kingsburg on a motion of Council Member Smith, seconded by Council Member North, at a regular meeting held on the 19th day of July, 2017, by the following vote:

AYES:	Council Member(s):	North, Smith, Dix, Blayney and Mayor Roman
NOES:	Council Member(s):	None
ABSENT:	Council Member(s):	None
ABSTAIN:	Council Member(s):	None

APPROVED 
Michelle Roman, Mayor

ATTEST: 
Abigail Palsgaard, City Clerk

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss
CITY OF KINGSBURG)

I, Abigail Palsgaard, City Clerk of the City of Kingsburg do hereby certify that the foregoing Ordinance 2017-003 was duly introduced at a regular meeting of the City Council of the City of Kingsburg on the 7th day of June, 2017, and it was duly passed and adopted at a regular meeting of said City Council held on the 19th day of June, 2017.

Dated: July 19, 2017

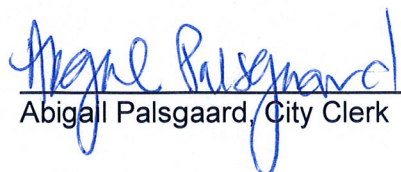

Abigail Palsgaard, City Clerk

EXHIBIT "A"
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

**COMMUNITY FACILITIES
DISTRICT REPORT**

City of Kingsburg

**Community Facilities District
No. 2017-01
(Public Services District)**

May 11, 2017

Public Finance
Public Private Partnerships
Urban Economics
Clean Energy Bonds

Newport Beach
San Jose
San Francisco
Riverside
Dallas
Houston

**COMMUNITY FACILITIES DISTRICT REPORT
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

**CITY OF KINGSBURG
COMMUNITY FACILITIES DISTRICT No. 2017-01
(PUBLIC SERVICES DISTRICT)**

Prepared for

**CITY OF KINGSBURG
1401 Draper Street
Kingsburg, California 93631**

Prepared by

**DAVID TAUSSIG & ASSOCIATES, INC.
1302 Lincoln Avenue, Ste 204
San Jose, California 95125**

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I. INTRODUCTION

WHEREAS, the City of Kingsburg (hereinafter referred to as the “City”) did, pursuant to the 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 (hereinafter referred to as the “Act”), and specifically Section 53321.5 thereof, expressly order the filing of a written “Report” with the legislative body of the proposed City of Kingsburg Community Facilities District No. 2017-01 (Public Services District), County of Fresno, State of California, hereinafter referred to as:

“CFD No. 2017-01”; and,

WHEREAS, the Council has determined that the establishment of the Community Facilities District is consistent with and follows the Local Goals and Policies concerning the use of the Act that have been adopted by the City and are now in effect; and

WHEREAS, the City Council of the City of Kingsburg approved the Resolution of Intention to establish CFD No. 2017-01, to authorize the levy of a Special Tax to finance certain Authorized Services within CFD No. 2017-01, and to request the preparation of a CFD Report to demonstrate the following:

- 1) A brief description of the Authorized Services by type which will be required to adequately meet the needs of CFD No. 2017-01;
- 2) An estimate of the fair and reasonable cost of providing the Authorized Services and an estimate of the incidental expenses related thereto; and

WHEREAS, the matters and information set forth in this report constitute a compilation of information otherwise on file and available for review by the Council at the date of adoption of Resolution 2017-017 on May 3, 2017.

NOW, THEREFORE, the City Clerk of the City of Kingsburg (the “City Clerk”), the authorized representative of the City, and the appointed responsible officer directed to prepare the CFD Report (the “Report”) or cause the Report to be prepared pursuant to the provisions of the Act, does hereby submit this Report.

II. PROJECT DESCRIPTION

CFD No. 2017-01 (Public Services District) encompasses approximately 61.70 gross acres of land in the City of Kingsburg located generally north of Klepper Street and generally south of East Caruthers Avenue, west of South Madsen Avenue, and generally east of Golden State Boulevard. A map showing this territory is provided as Appendix B of this report.

A Future Annexable Area has also been identified on the map, within which future residential and non-residential property will be able to annex into the CFD on a parcel by parcel basis.

Within the CFD, a Special Tax shall be levied only on new development as set forth in the Rate and Method of Apportionment ("RMA"), attached herewith as Appendix A.

III. DESCRIPTION AND ESTIMATED COST OF SERVICES

A. Description of Proposed Public Services

A community facilities district *may* finance any one or more of the following types of services: police protection services; fire protection and suppression services; ambulance and paramedic services; recreation program services, library services, maintenance services for elementary and secondary school sites and structures, operation and maintenance of museums and cultural facilities; maintenance of parks, parkways (including street lights), and open space; flood and storm protection services, including the operation and maintenance of storm drainage systems and sandstorm protection systems; and services with respect to the removal or remedial action cleanup of hazardous substances. The proposed community facilities district shall provide and finance Public Services, including but not limited to (i) the costs of contracting services, (ii) the maintenance and servicing of police, fire, and emergency response, parks and open space, alley maintenance, street lighting and landscape maintenance, maintenance or upkeep of related facilities, equipment, vehicles, apparatus, and supplies (iii) the salaries and benefits of staff that directly provide such services, and (iv) overhead costs associated with providing such services within the CFD.

The Authorized Services, as defined in the Rate and Method of Apportionment, Appendix A, may be financed only to the extent that such services are in addition to those services provided in the City prior to implementation of the Community Facilities District.

Again, CFD No. 2017-01 shall only finance the above listed services only to the extent that they are in addition to existing services provided within the boundaries of CFD No. 2017-01 before creation of the CFD and such Authorized Services may not supplant services already available within CFD No. 2017-01 at creation of said CFD. The Special Taxes required to finance the related annual costs of those public services will be apportioned as described in the Rate and Method of Apportionment of the Special Tax for CFD No. 2017-01.

B. Estimated Costs of Proposed Public Services

The intent of the CFD is to fund the anticipated revenue shortfall in providing the Authorized Services listed above. The maximum special taxes that could be levied presently would be \$594 per Dwelling Unit for Single Family Residential Property, \$396 per Dwelling Unit for Multi-Family Residential Property, \$0.20 per Sq. Ft. of Non-Residential Floor Area for Retail and Office Property, and \$0.07 per Sq. Ft. of Non-Residential Floor Area for Industrial and Institutional Property; however, this amount is subject to annual escalation. The actual amount to be levied will be determined by the City Council on an annual basis. It is anticipated that the cost of administering the CFD in its earlier years will be approximately \$5,000 per year.

IV. BONDED INDEBTEDNESS AND INCIDENTAL EXPENSES

A. Projected Bond Sales

CFD No. 2017-01 is not authorized to sell bonds.

B. Incidental Expenses to be Included in the Annual Levy of Special Taxes

Pursuant to Section 53340 of the Act, the proceeds of any Special Tax may only be used to pay, in whole or part, the cost of providing public facilities, services, and incidental expenses. As defined by the Act, incidental expenses include, but are not limited to, the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities. As there is no intention or authorization for CFD No. 2017-01 to sell bonds, the incidental expenses to be funded through Special Taxes shall be limited to the costs associated with the creation of the CFD, determination of the amount of Special Taxes, collection of Special Taxes, payment of Special Taxes, or costs otherwise incurred in order to carry out the authorized purposes of the CFD. While the actual cost of administering CFD No. 2017-01 may vary, it is anticipated that the amount of Special Taxes that can be collected will be sufficient to fund the CFD's annual administrative expenses.

V. RATE AND METHOD OF APPORTIONMENT

Pursuant to Section 53325.3 of the Act, the tax imposed in a CFD “is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property.” The Special Tax “may be based on benefit received by parcels of real property, the cost of making facilities or authorized services available to each parcel, or other reasonable basis as determined by the legislative body,” although the Special Tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution. The adopted Rate and Method of Apportionment (“RMA”), attached herewith as Appendix A, provides information sufficient to allow each property owner within CFD No. 2017-01 to estimate the maximum annual Special Tax he or she will be required to pay.

The RMA requires that all Assessor’s Parcels within CFD No. 2017-01 be categorized as Developed Property, Undeveloped Property, Property Owner Association Property, or Public Property. The principal assumption inherent in the calculation of Special Taxes as defined in the RMA is that the level of budgetary shortfall impacting the City is the *primary* result of new development within the City. These determinations are based on an evaluation of the City’s recurring costs and revenues. No Special Taxes will be levied on Undeveloped Property, Property Owner Association Property, or Public Property.

Each Fiscal Year, the Special Tax levy shall be calculated in an amount sufficient to cover the costs required to meet the financial needs for the proposed Authorized Services, but not to exceed the maximum Special Tax for Developed Property. The maximum Special Tax necessary to cover the public service shortfall generated by one (1) Single Family and Multi-Family Residential Dwelling Unit is \$594 and \$396, respectively, for the 2017-18 Fiscal Year. The maximum annual Special Tax that can be levied within the CFD on Developed Property shall increase annually by the greater of the change in the Blended Consumer Price Index during the twelve (12) months ending in December of the Fiscal Year prior to the Fiscal Year in which the Special Tax is being levied, or four percent (4.00%). Commencing with Fiscal Year 2017-18 and for each following fiscal year, the City Council shall levy the annual special tax proportionately for each Assessor’s Parcel of Developed Property at up to 100% of the applicable maximum special tax, until the amount of special taxes equals the special tax requirement.

In order to establish the Maximum Special Tax rates for CFD No. 2017-01 as set forth in the Rate and Method of Apportionment, David Taussig & Associates, Inc. has relied on information regarding land-use types, geographic location, and Taxable Property provided to it by others. David Taussig & Associates, Inc. has not independently verified such data and disclaims responsibility for the impact of inaccurate data, if any, on the Rate and Method of Apportionment for CFD No. 2017-01, including the inability to meet the financial obligations within CFD No. 2017-01.

VI. BOUNDARIES OF COMMUNITY FACILITIES DISTRICT

The boundaries of CFD No. 2017-01 include all land on which the Special Taxes may be levied. A reduced scale map showing the boundaries of CFD No. 2017-01 is provided as Appendix B. A full scale map is on file with the Fresno County Recorder's Office and was recorded on May 4, 2017 at 11:03 am in the Fresno County Recorder's Office at Book 44 of Maps of Assessment and Community Facilities Districts at Page 91-92 (Instrument No. 2017-0055084), and there has been no change in the boundaries of the Community Facilities District since its formation, nor is any contemplated here.

VII. GENERAL TERMS AND CONDITIONS

A. Substitution of Services

The description of the Authorized Services, as set forth herein, is general in their nature. The final nature and location of the specific services to be funded by the CFD will be determined by the City Council. The actual services funded may show substitutes, in lieu or modifications to the proposed services that benefit the CFD, and any such substitution shall not be a change or modification in the proceedings as long as the services provided are of a type substantially similar to that as set forth in this Report.

B. Appeals and Interpretations

Any landowner or resident who feels that the amount of the Special Tax levied on his Assessor's Parcel is in error may submit a written appeal to the CFD Administrator. The CFD Administrator shall review the appeal and if the CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. No refunds shall be given. Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in the Rate and Method of Apportionment for CFD No. 2017-01.

APPENDIX A

**CITY OF KINGSBURG
COMMUNITY FACILITIES DISTRICT NO. 2017-01
(PUBLIC SERVICES DISTRICT)**

RATE AND METHOD OF APPORTIONMENT

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF KINGSBURG
COMMUNITY FACILITIES DISTRICT NO. 2017-01
(PUBLIC SERVICES DISTRICT)
CITY OF KINGSBURG, COUNTY OF FRESNO, STATE OF CALIFORNIA**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in City of Kingsburg Community Facilities District No. 2017-01 (Public Services District), City of Kingsburg, County of Fresno, State of California ("CFD No. 2017-01") and collected each Fiscal Year commencing in Fiscal Year 2017-18, in an amount determined by the City Council through the application of the appropriate Special Tax for "Developed Property," as described below. All of the real property in CFD No. 2017-01, unless exempted by law or by the provisions hereof, shall be taxed for these purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"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 following actual or reasonably estimated costs directly related to the administration of CFD No. 2017-01: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs to the City, CFD No. 2017-01, or any designee thereof of complying with CFD No. 2017-01 or obligated persons disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2017-01, or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2017-01 for any other administrative purposes of CFD No. 2017-01, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on 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.

"Authorized Services" means those services eligible to be funded by CFD No. 2017-01, as defined in the Resolution of Formation and authorized to be financed by CFD No. 2017-01 pursuant to Section 53313 and Section 53313.5 of the Act. CFD No. 2017-01 shall finance Authorized Services only to the extent that they are in addition to those provided in the territory of CFD No. 2017-01 before the CFD was created and such Authorized

Services may not supplant services already available within CFD No. 2017-01 when the CFD was created.

“Blended Consumer Price Index” means the sum of the Los Angeles Urban Consumer Price Index and the San Francisco Urban Consumer Price Index, divided by two (2).

“Building Permit” means a permit issued by the City or other governmental agency for the construction of a residential or non-residential building on an Assessor’s Parcel.

“CFD Administrator” means an official of CFD No. 2017-01, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“CFD No. 2017-01” means City of Kingsburg Community Facilities District No. 2017-01 (Public Services District), City of Kingsburg, County of Fresno, State of California.

“City” means the City of Kingsburg, California.

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

“County” means the County of Fresno.

“Developed Property” means, for each Fiscal Year, all Assessor’s Parcels for which a Building Permit was issued after January 1, 2017 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

“Dwelling Unit” means a building or portion thereof designed for and occupied in whole or part as a residence or sleeping place, either permanently or temporarily, by one (1) family and its guests, with sanitary facilities and one (1) kitchen provided within the unit. Boarding or lodging houses, dormitories, and hotels shall not be defined as Dwelling Units unless the land use permit specifies a residential use.

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

“Industrial and Institutional Property” means all Non-Residential Property, other than Retail and Office Property.

“Los Angeles Urban Consumer Price Index” means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles – Anaheim – Riverside Area, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Los Angeles Urban Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Los Angeles Urban Consumer Price Index.

“Maximum Special Tax” means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C, below, that can be levied on any Assessor’s Parcel.

“Multi-Family Residential Property” means, all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing a Dwelling Unit that shares an inside wall with another Dwelling Unit, and consists of more than two (2) Dwelling Units, including, but not limited to, triplexes, condominiums, and apartment units.

“Non-Residential Floor Area” means the total building square footage of the non-residential building(s) or the non-residential portion of a building with both residential and non-residential areas located on an Assessor’s Parcel of Developed Property, measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two (2) sides. The determination of Non-Residential Floor Area shall be made by reference to the Building Permit(s) issued for such Assessor’s Parcel and/or to the appropriate records kept by the City’s Building Division, as reasonably determined by the CFD Administrator.

“Non-Residential Property” means any and each Assessor’s Parcel of Developed Property for which a Building Permit permitting the construction of one or more non-residential units or facilities, including Retail and Office Property or Industrial and Institutional Property, has been issued by the City or some other governmental agency.

“Property Owner Association Property” means, for each Fiscal Year, any Assessor’s Parcel within the boundaries of CFD No. 2017-1 that is owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association, not including any such property that is located directly under a residential or non-residential structure.

“Proportionately” means that the ratio of the actual annual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property.

“Public Property” means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2017-01 that is owned by or irrevocably offered for dedication to the Federal government, the State, the City, or any other public agency; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2017-01 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

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

“Resolution of Formation” means the resolution forming CFD No. 2017-01.

“Retail and Office Property” means, all Non-Residential Property that is or will be: (i) for retail purposes consisting of one or more commercial establishment(s) that sell general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops, and (ii) for office space in which professional, banking, insurance, real estate, administrative, or in-office medical or dental activities are conducted.

“San Francisco Urban Consumer Price Index” means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco – Oakland – San Jose Area, measured as of the month of December in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the San Francisco Urban Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the San Francisco – Oakland – San Jose Area.

“Single Family Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one (1) single-family residential Dwelling Unit.

“Special Tax” or “Special Taxes” means the special tax or special taxes to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount to be collected in any Fiscal Year for CFD No. 2017-01 to pay for certain costs as required to meet the needs of the CFD in that Fiscal Year. The costs to be covered shall be the direct costs for (i) Authorized Services, including the establishment of reserves for future costs of Authorized Services, (ii) Administrative Expenses, and (iii) an amount to cover anticipated delinquencies for the payment of the Special Tax, based on the delinquency rate for the preceding Fiscal Year; less (iv) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Special Tax Requirement include debt service payments for debt financings by CFD No. 2017-01.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2017-01 which are not exempt from the Special Tax pursuant to law or Section E below.

“Undeveloped Property” means, for each Fiscal Year, all property not classified as Developed Property, Property Owner Association Property, or Public Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor's Parcels within CFD No. 2017-01 shall be classified by the CFD Administrator as Developed Property, Undeveloped Property, Property Owner Association Property, or Public Property, and shall be subject to annual Special Taxes in accordance with this Rate and Method of Apportionment as determined by the CFD Administrator pursuant to Sections C and D below. The CFD Administrator's allocation of property to each type of Land Use Class shall be conclusive and binding. However, only Developed Property shall be subject to annual Special Taxes in accordance with the Rate and Method of Apportionment as determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax for Fiscal Year 2017-18 for Developed Property is shown below in Table 1. Under no circumstances shall a Special Tax be levied on additions to existing Dwelling Units.

TABLE 1

**Maximum Special Taxes for Developed Property
For Fiscal Year 2017-18
Community Facilities District No. 2017-01**

Land Use Class	Land Use	Fiscal Year 2017-2018 Maximum Special Tax
1	Single Family Residential Property	\$594 per Dwelling Unit
2	Multi-Family Residential Property	\$396 per Dwelling Unit
3	Retail and Office Property	\$0.20 per Sq. Ft. of Non-Residential Floor Area
4	Industrial and Institutional Property	\$0.07 per Sq. Ft. of Non-Residential Floor Area

b. Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel.

c. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2018, the Maximum Special Tax for Developed Property shall be increased annually by the greater of the change in the Blended Consumer Price Index during the twelve (12) months prior to December of the previous Fiscal Year, or four percent (4.00%).

2. Undeveloped Property

No Special Taxes shall be levied on Undeveloped Property.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2017-18 and for each following Fiscal Year, the City Council shall levy the annual Special Tax Proportionately for each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax, until the amount of Special Taxes equals the Special Tax Requirement.

E. EXEMPTIONS

In addition to Undeveloped Property being exempt from annual Special Taxes, no Special Tax shall be levied on Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, such Assessor's Parcel shall, upon each reclassification, no longer be exempt from Special Taxes.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax

on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has thirty (30) days in which to appeal to the City Council by filing a written notice of appeal with the clerk of the City, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CFD Administrator's determination. The CFD Administrator may charge the appellant a reasonable fee for processing the appeal.

The City may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the City will be final and binding as to all persons.

G. MANNER OF COLLECTION

The annual 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 the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary or otherwise advisable to meet its financial obligations for CFD No. 2017-01, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2017-01 from time to time. As each annexation is proposed, an analysis may be prepared to determine the annual cost for providing Authorized Services to such parcels. Based on this analysis, any parcels to be annexed, pursuant to California Government Code Section 53339 *et seq.* will be assigned the approximate Maximum Special Tax rates when annexed and included in Exhibit A.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Special Tax Requirement, unless no longer required to pay for Authorized Services as determined at the discretion of the City.

APPENDIX B

**CITY OF KINGSBURG
COMMUNITY FACILITIES DISTRICT NO. 2017-01
(PUBLIC SERVICES DISTRICT)**

BOUNDARY MAP

PROPOSED BOUNDARIES OF
CITY OF KINGSBURG
COMMUNITY FACILITIES DISTRICT NO. 2017-01
(PUBLIC SERVICES DISTRICT)
COUNTY OF FRESNO
STATE OF CALIFORNIA

The CFD Future Annexation Area is co-terminous with the City of Kingsburg Sphere of Influence as of January 4, 2017.

Assessor Parcels within
City of Kingsburg
Community Facilities District No. 2017-01
(Public Services District):
394-021-14
393-123-26
393-123-27

Reference is hereby made to the Assessor maps of the County of Fresno for a description of the lines and dimensions of these parcels.

(1) Filed in the office of the Clerk of the City of Kingsburg this 31 day of MAY, 2017.

Abigail Palsgaard
Abigail Palsgaard, Clerk of the City of Kingsburg,
California

(2) I hereby certify that the within map showing the proposed boundaries of City of Kingsburg Community Facilities District No. 2017-01 (Public Services District), County of Fresno, State of California, was approved by the City Council of the City of Kingsburg at a regular meeting thereof, held on this 31 day of MAY, 2017, by its Resolution No. 2017-017.

Abigail Palsgaard
Abigail Palsgaard, Clerk of the City of Kingsburg,
California

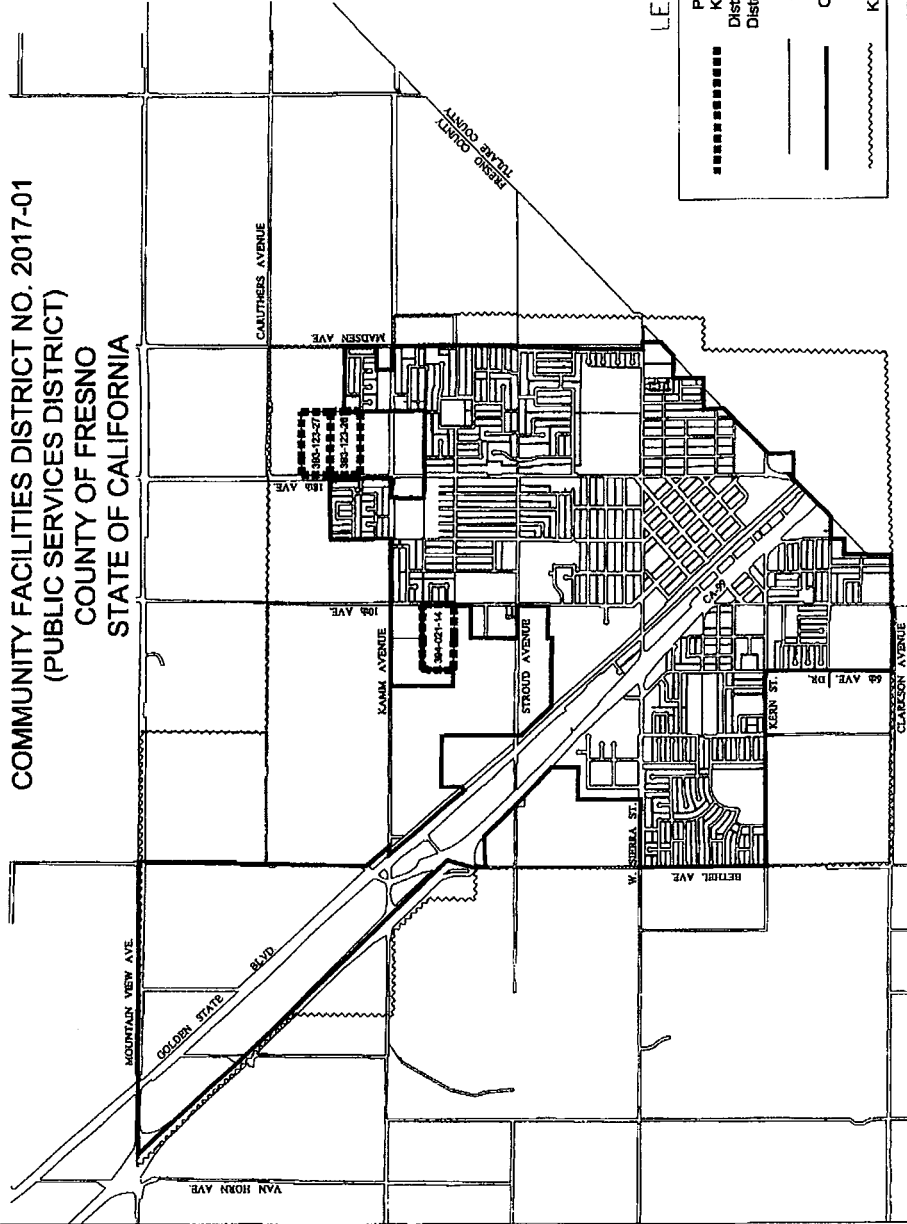
Prepared by David Toussig & Associates, Inc.

(3) Filed this 17 day of MAY, 2017, at the hour of 11:22 o'clock AM, in Book 44 of Maps of Assessment and Community Facilities Districts at Page 91-92 and as Instrument No. 2017-0255024, in the office of the County Recorder in the County of Fresno, State of California.

Paul Dictos, CPA
Assessor-Recorder, County of Fresno
By Pauline Rodriguez
Deputy
Fee \$ 10.00

Exempt recording requested,
per CA Government Code §6103

PROPOSED BOUNDARIES OF
CITY OF KINGSBURG
COMMUNITY FACILITIES DISTRICT NO. 2017-01
(PUBLIC SERVICES DISTRICT)
COUNTY OF FRESNO
STATE OF CALIFORNIA



LEGEND

- Proposed Boundaries of City of Kingsburg Community Facilities District No. 2017-01 (Public Services District), County of Fresno, California
- Assessor Parcel Line
- City of Kingsburg City Limits
- Future Annexation Area / Kingsburg Sphere of Influence