

# EXHIBIT C

## CITY OF FRESNO

### COMMUNITY FACILITIES DISTRICT NO. 15 EAST COPPER RIVER RANCH MAINTENANCE DISTRICT

#### RATES AND METHODS OF APPORTIONMENT OF SPECIAL TAXES

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##### 1. COST ESTIMATE

The estimate breaks down the costs of one-year of Services provided by the City of Fresno Community Facilities District No 15 ("CFD No. 15"), commencing with Fiscal Year 2015-2016, for the proposed East Copper River Ranch development within the territory shown on the Proposed Boundaries Map incorporated herein and attached as Exhibit A. There is a mixture of different land uses that include Single-Family Residential, Multi-Family and Commercial zoning as shown on the Land Use Map attached hereto as Exhibit D.1.

**Table 1: CFD No. 15 Annual Maintenance Service Cost Estimate**

ITEM	DESCRIPTION – ANNUAL MAINTENANCE	ESTIMATED ANNUAL COST
1	<i>Major Streets&amp; Local Collector Facilities</i>	<i>\$621,153.66</i>
2	<i>Single Family Residential Facilities</i>	<i>\$259,217.29</i>
3	<i>3.90 Acre Park Facilities</i>	<i>\$57,874.38</i>
4	<i>Basin DE Park Facilities</i>	<i>\$117,138.64</i>
5	<i>Annual Tax Prep Charge (\$15/parcel)</i>	<i>\$20,835.00</i>
6	<i>Annual Incidental Expenses (est.)</i>	<i>\$65,300.00</i>

***Total Estimated Annual Expenses = \$1,141,518.97***

##### 2. METHOD OF LEVY AND COLLECTION OF THE SPECIAL TAX

A Special Tax, as hereinafter defined, shall be levied on all Assessor's Parcels within CFD No. 15, other than those Assessor's Parcels defined herein as Tax Exempt Property or designated as Undeveloped Property, and collected each Fiscal Year, commencing in Fiscal Year 2015-2016, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 15, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner provided herein.

##### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

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**"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. 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 I, Division 2 of Title 5 of the Government Code of the State of California.

**"Annual Maintenance Cost Estimate"** means the estimate of annual maintenance services for the improvements identified in CFD No. 15. Refer to Table 1: which provides a breakdown of costs for services.

**"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.

**"Assigned Special Tax"** means the annual special tax for Developed Property described in Section C, Table 3 below.

**"CFD Administrator"** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**"CFD" or "CFD No. 15"** means Community Facilities District No. 15 (East Copper River Ranch Maintenance District) of the City of Fresno.

**"City"** means the City of Fresno.

**"City Law"** means the City of Fresno Special Tax Financing Law, Chapter 8, Division 1, Article 3, of the Fresno Municipal Code.

**"Council"** means the City Council of the City of Fresno, acting as the legislative body of CFD No. 15.

**"County"** means the County of Fresno, California.

**"Developable Lot"** means a lot that is anticipated development of residential or non-residential uses, and which is not an outlot, remainder parcel or other parcel which is not intended to be developed or which must be further subdivided before being developed.

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**"Developed Property"** means all Taxable Property, classified as Single Family Residential, Multi-Family Residential, and/or Non-Residential or Commercial, for which a building permit is issued after January 1st but prior to April 1st preceding the Fiscal Year in which the Special Tax is being levied.

**"Development"** means any assessor's parcel within the City of Fresno which is being developed for Single Family Residential, Multi-Family Residential, and/or Non-Residential or Commercial purposes and requires a Tentative Map, Conditional Use Permit or a Site Plan Review.

**"Excluded Parcels"** means those assessor's parcels identified as ineligible for inclusion in CFD No. 15 shown on the CFD No. 15 Land Use Map attached hereto as Exhibit D.1.

**"Final Map"** means a final map, or portion thereof, approved by the Council of the City of Fresno pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates individual developable lots for which building permits may be issued without further subdivision. The term "Final Map" shall not include any assessor's parcel map or subdivision map or portion thereof that does not create individual developable lots which a building permit may be issued, including assessor's parcels that are designated as remainder parcels.

**"Fiscal Year"** means the period starting April 1 and ending on the following March 31.

**"Incidental Expenses"** refer to Exhibit C Incidental Expenses attached to the Resolution of Intent.

**"Land Use"** means any of the classifications for Developed Property as described in Section B and listed in Table 2 below.

**"Maximum Special Tax"** means the maximum Special Tax, determined in accordance with Section C below, that may be levied in any Fiscal Year.

**"Multi-Family Residential Property"** means all Assessor's Parcels which a building permit has been issued for purposes of constructing a residential structure consisting of two or more residential dwelling units that share common walls, including, but not limited to, duplexes, triplexes, townhomes, condominiums, and apartment units.

**"Operating Fund"** means a fund that shall be maintained for the CFD for each Fiscal Year to pay for Maintenance Services and Incidental Expenses.

**"Operating Fund Requirement"** means, for any Fiscal Year, the sum of the applicable Annual Maintenance Service Cost Estimate as shown in Table 1.

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**"Property Owner Association Property"** means any property within the boundaries of the CFD 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 any Fiscal Year, that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessors' Parcels of Taxable Property within each Land Use Class.

**"Public Property"** means any property within the boundaries of the CFD that is owned by or dedicated to the federal government, the State of California, the County, the City or any other public agency.

**"Reserve for Replacement"** means maintaining a reasonable reserve pursuant to the Fresno Municipal Code, Section 8-1-303(e) (4), as a service cost or expense and not as payment for public facilities under Government Code Section 53321 (d).

**"Residential Dwelling Unit" or "Unit"** means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential units, including but not limited to, single-family homes, duplexes, triplexes, townhomes, condominiums, and apartment units.

**"Residential Property"** means all Assessors' Parcels of Developed Property for which a building permit(s) has been issued for purposes of constructing one or more Residential Dwelling Units. Residential Property includes Single Family Residential Property and Multi-Family Residential Property.

**"Single Family Residential Property"** means all Assessors' Parcels for which a building permit(s) has been issued for purposes of constructing one single-family residential dwelling unit.

**"Special Tax"** means the Special Tax levied pursuant to the provisions of Sections C and D below in each Fiscal Year on each Assessor's Parcel of Developed Property and Undeveloped Property to fund the Special Tax Requirement.

**"Special Tax Requirement"** means the amount necessary in any Fiscal Year to (i) pay the authorized costs for Services provided by CFD No. 15, (ii) pay Incidental Expenses of CFD No. 15, (iii) cure any delinquencies in the payment of special taxes levied in prior fiscal years or (based on delinquencies in the payment of special taxes which have already taken place) are expected to occur in the fiscal year in which the tax will be collected.

**"State"** means the State of California.

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**"Subdivision"** means a division, by any subdivider, of any unit or units of improved or unimproved land, or any portion thereof, shown on the latest equalized tax roll as a unit or as contiguous units, for the purpose of sale, lease, or financing whether immediate or future. Property shall be considered as contiguous units, even if it is separated by roads, streets, utility easement or railroad rights of way. "Subdivision" includes a condominium project, as defined in section 1351 of the Civil Code, a community apartment project, as defined in Section 1351 of the Civil Code.

**"Taxable Property"** means all of the Assessor's Parcels within the boundaries of CFD No. 15 that are not exempt from the Special Tax pursuant to law or as defined below under Section E.

**"Tax-Exempt Property"** means an Assessor's Parcel not subject to the Special Tax. Tax Exempt Property includes: (i) Public Property, or (ii) 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 designated as Developed Property.

### B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year on or around April 1, using the definitions herein, all taxable property within CFD No. 15 shall be designated as Developed Property or Undeveloped Property, and shall be subject to special taxes pursuant to sections C and D below. Developed Property shall be classified as "Single Family Residential" Property, "Multi-Family" Residential Property, or "Non-Residential/Commercial" Property. The Land Use Summary used for CFD No. 15 is as specified in Table 2, below and the CFD No.15 Land Use Map attached as Exhibit D.1.

**Table 2: Land Use Summary**

ITEM	DESCRIPTION	GROSS ACRE	NET ACRE	EDU's	Est. CFD No. 15 PARCELS
1	<i>Single Family Residential</i>	297.74	279.33	1,384	1,384
2	<i>Multi-Family Residential</i>	18.15	17.45	219	2
3	<i>Non Residential /Commercial</i>	12.84	12.41	72	3
4	<i>Open Space</i>	104.65	103.94	0	0
<b>TOTAL</b>		<b>433.38</b>	<b>413.16</b>	<b>1,675</b>	<b>1,389</b>

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### C. MAXIMUM SPECIAL TAX RATE

The Maximum Special Tax ("MST") applicable to each Assessor's Parcel in CFD No. 15 shall be specific to the Developed Property and maintenance services identified within the CFD No. 15 area. The Maximum Special Tax for each Assessor's Parcel designated as Developed Property, in any Fiscal Year, shall be the Assigned Special Tax shown in Table 3.

**Table 3**  
**Assigned Special Tax for Developed Property**  
**Community Facilities District No. 15**  
**Fiscal Year 2015-2016**

No.	Land Use Class Description	Total Maximum Special Tax
1	Single Family Residential Property	\$742.32 per Unit
2	Multi-Family Residential Property	\$2,830.721 per Acre
3	Non-Residential or Commercial Property	\$4,889.68 per Acre

Notes:

1. ANNUAL ESCALATION OF MAXIMUM SPECIAL TAX: Beginning in January 1<sup>st</sup> of each year, the MST may be adjusted upward annually by 3% plus the rise, if any, in the Construction Cost Index (CCI) for the San Francisco Region for the Prior 12 month period as published in the Engineering News Record, or published in a comparable index if the Engineering News Record is discontinued or otherwise not available. Each annual adjustment of the MST shall become effective on the subsequent July 1 date.
2. MULTIPLE LAND USE CLASSIFICATIONS: In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax that may be levied on such an Assessor's Parcel shall be the sum of the Maximum Special Tax levies that may be levied on all Land Use Classes located on that Assessor's Parcel. The CFD Administrator shall determine the allocation to each Land Use Class.
3. UNDEVELOPED PROPERTY: For any Fiscal Year, each Assessor's Parcel defined as Undeveloped Property shall be exempt from the levy of the Special Tax.

### D. METHOD OF LEVY AND COLLECTION OF THE SPECIAL TAX

Commencing with Fiscal Year 2015-2016, the Special Tax shall be levied on all taxable parcels as follows:

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Step 1: Determine the Special Tax Requirement (Annual Maintenance Service Cost Estimate as defined in Section A above) for the fiscal year in which the special tax will be collected;

Step 2: Calculate the total special tax revenues that could be collected from taxable property within CFD No. 15 based on applying the Maximum Special Tax rates determined pursuant to Section C above to the number of residential units on each parcel of taxable property in CFD No. 15;

If the amount determined in Step 1 is greater than or equal to the amount calculated in Step 2, levy the Maximum Special Tax Rate set forth in Table 3 herein on all parcels of taxable property in CFD No. 15;

If the amount determined in Step 1 is less than the amount calculated in Step 2, levy the Special Tax proportionately against all parcels of taxable property up to 100% of the Maximum Special Tax for each subdivision as identified in Table 3 until the amount of the Special Tax levy equals the Special Tax Requirement for the Fiscal Year.

The Special Tax for CFD No. 15 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 15 may (under the Authority of Government Code 53340), in any particular case, bill the taxes directly to the property owner off of the County of Fresno tax roll, and the Special Taxes will be equally subject to penalties and foreclosure if delinquent.

### **E. EXEMPTIONS**

Notwithstanding any other provision of the Rate and Method of Apportionment of a Special Tax, no Special Tax shall be levied on parcels that have been conveyed to a public agency, except as otherwise provided in City Law. In addition, no special tax shall be levied on excluded parcels (Tax Exempt Property) or parcels that are determined to be Undeveloped Property.

Attachments

Exhibit D.1: CFD No. 15 Land Use Map