

RESOLUTION NO. 22-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, OF INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT, PROPOSED TO BE NAMED COMMUNITY FACILITIES DISTRICT NO. 2021-1, AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES

WHEREAS, the City Council of the City of Lancaster (“City Council”) has determined that the institution of proceedings for the establishment a community facilities district pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”), as amended, is necessary and desirable for the purpose of mitigating the financial impact of new development on maintenance and operation of public safety services, fire services, lighting, parkways, streets, roads, open space and any real property or other tangible property with an estimated useful life of five or more years that is owned by the City of Lancaster (“City”); and

WHEREAS, Section 53318 of the Act authorizes the City Council to initiate proceedings for the establishment of a Community Services District and to levy special taxes within the community facilities district.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The City Council hereby finds that the recitals set forth above are true and correct and are incorporated into this resolution by reference.

Section 2. The City Council hereby declares its intention to conduct proceedings for the formation of a community facilities district pursuant to the provisions of the Act.

Section 3. The proposed community facilities district shall be known as designated as “City of Lancaster Community Facilities District No. 2021-1” (the “CFD”).

Section 4. A description of the exterior boundaries of the territory proposed for inclusion in the CFD, including properties and parcels of land proposed to be subject to the levy of a special tax by the CFD, is as shown on the boundary map designated as “PROPOSED BOUNDARY MAP AND FUTURE ANNEXATION AREA OF CITY OF LANCASTER COMMUNITY FACILITIES DISTRICT NO. 2021-1” which is on file in the office of the City Clerk and is attached hereto as Exhibit A and hereby incorporated by reference.

Section 5. It is the intention of this City Council to finance certain services described on Exhibit B hereto and by this reference incorporated herein (the “Services”). The City Council hereby finds that the Services are in addition to those provided in or required for the territory within the CFD prior to the establishment of the CFD and that such Services will not supplant services already available within that territory.

The CFD is being formed to mitigate the financial impact due to new development on maintenance and operation of the Services.

Section 6. It is hereby further proposed that, except where funds are otherwise available to pay for the Services, a special tax sufficient to pay for such Services and related incidental expenses authorized by the Act (the “Special Tax” or “Special Taxes”), secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the boundaries of the CFD. Under no circumstances, with respect to the referenced property, will the Special Tax authorized be levied within the CFD be increased as a consequence of delinquency or default by the owner of any other parcel or parcels used for private residential purposes and located within the CFD by more than 10 percent. For further particulars as to the rate and method of apportionment of the Special Tax proposed to be levied within the CFD, reference is made to the attached and incorporated Exhibit C, which sets forth in sufficient detail the rate and method of apportionment of the Special Tax among parcels of real property in the CFD (the “Rate and Method”) to allow each landowner or resident within the CFD to clearly estimate the maximum amount that such person will have to pay for such Services. The City Council hereby determines the Rate and Method set forth in Exhibit C to be reasonable.

The Special Taxes herein authorized, 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, or shall be collected in such other manner as may be provided by the City Council. Any Special Taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City Treasurer or duly appointed officer or agency of the City, as appointed by the City Council.

Section 7. Notice is given that on December 13, 2022, at 5:00 p.m. (or as soon thereafter as practical), in the regular meeting place of the City Council being the City Council Chambers, located at 44933 Fern Avenue, Lancaster, California 93534, a public hearing will be held where this City Council will consider the establishment of the proposed CFD, the extent of the CFD, the furnishing of the Services within the CFD, and the proposed Rate and Method and all other matters as set forth in this resolution of intention. At the above-mentioned time and place for public hearing any persons interested, including taxpayers, persons registered to vote within the CFD, and property owners, may appear and be heard. The testimony of all interested persons for or against the establishment of the CFD, the extent of the CFD, or the furnishing of the services will be heard and considered. Any protests may be orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth in the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk of the City Council on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the public hearing.

If a written majority protest against the establishment of the CFD is filed (as determined in accordance with Section 53324 of the Act), the proceedings shall be abandoned. If such majority protest is limited to certain services or portions of the Special Tax, those services or that tax shall be eliminated by the City Council.

Section 8. If, following the public hearing described in Section 7 above, the City Council determines to establish the CFD and proposes to levy the Special Tax within the CFD, the City Council shall then submit the levy of the Special Taxes to the qualified electors of the CFD.

The vote shall be by the landowners of the CFD (if there are fewer than 12 registered voters in the CFD) with each landowner or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within the CFD.

The election shall be conducted by the City Clerk, and shall be held on a date selected by the City Council in conformance with the provisions of Section 53326 of the California Government Code and pursuant to the provisions of the California Elections Code, insofar as they may be applicable, or such date as agreed upon by the landowners of the CFD pursuant to a consent and waiver form executed by the CFD landowners. Pursuant to said Section 53326 the ballots for the election shall be distributed to the qualified electors of the CFD by mail with return postage prepaid or by personal service and the special election shall be conducted as a mail ballot election.

A successful election relating to the authorization of Special Tax shall establish the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to the CFD.

Section 9. Notice of the time and place of the public hearing shall be given by the City Clerk by causing a Notice of Public Hearing to be published in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing. In addition, notice of the time and place of said hearing shall also be given by first-class mail to each registered voter and to each landowner within the proposed CFD as prescribed by Section 53322.4 of said Act. Said notice shall be published at least seven (7) days and mailed at least fifteen (15) days before the date of the hearing, and shall contain the information required by said Section 53322 of the Act. Land owners may waive notice as provided by the Act.

Section 10. Except as provided in Section 53340.1 of the Act and except for properties that a local agency is a landowner of within the meaning of subdivision (f) of Section 53317 of the Act, pursuant to Section 53340 of the California Government Code, properties of entities of the state, federal, and local governments shall be exempt from the levy of Special Taxes for the financing of the Services of the proposed CFD. Reference is hereby made to the Rate and Method for a description of other properties or entities that are expressly exempted from the levy of the Special Taxes.

Section 11. The City Council finds that the proposed Services described in Section 5 hereof are necessary to meet increased demands placed upon the City as a result of new development occurring within the boundaries of the proposed CFD.

Section 12. Other property may be annexed into the CFD pursuant to the provisions of the Act. Each Annexation may provide for the amount required for additional services within the annexed territory as part of the rate and method of apportionment and/or may provide for zones or improvement areas within the CFD.

Section 13. Pursuant to Section 53329.5(c) of the Act, the City Council finds, in its opinion, the public interest will not be served by allowing property owners in the CFD to enter into a contract pursuant to Section 53329.5(a) of the Act.

Section 14. The City or CFD may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, and is authorized and directed to use such funds or that work-in-kind for any authorized purpose, including, but not limited to, paying any cost incurred by the City in creating the CFD. The City or CFD may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the City Council, with or without interest.

Section 15. Each City officer who is or will be responsible for providing one or more of the proposed types of services to be financed by the CFD, if it is established, is hereby directed to study the proposed CFD and, at or before the time of the public hearing, file a report with the City Council, which is to be part of record of the public hearing, containing the following: (i) a brief description of the services by type that will in the City officer's opinion be required to adequately meet the needs of the CFD, and (ii) an estimate of the cost of providing those services.

Section 16. Beginning on July 1, 2024, and each July 1 thereafter, fees will be adjusted annually based on the prior Los Angeles-Riverside-Orange Co – All Urban Consumers (CPI-U) annual percent change.

Section 17. This Resolution is effective upon passage.

PASSED, APPROVED and ADOPTED this 11th day of October, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

ANDREA ALEXANDER
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER)

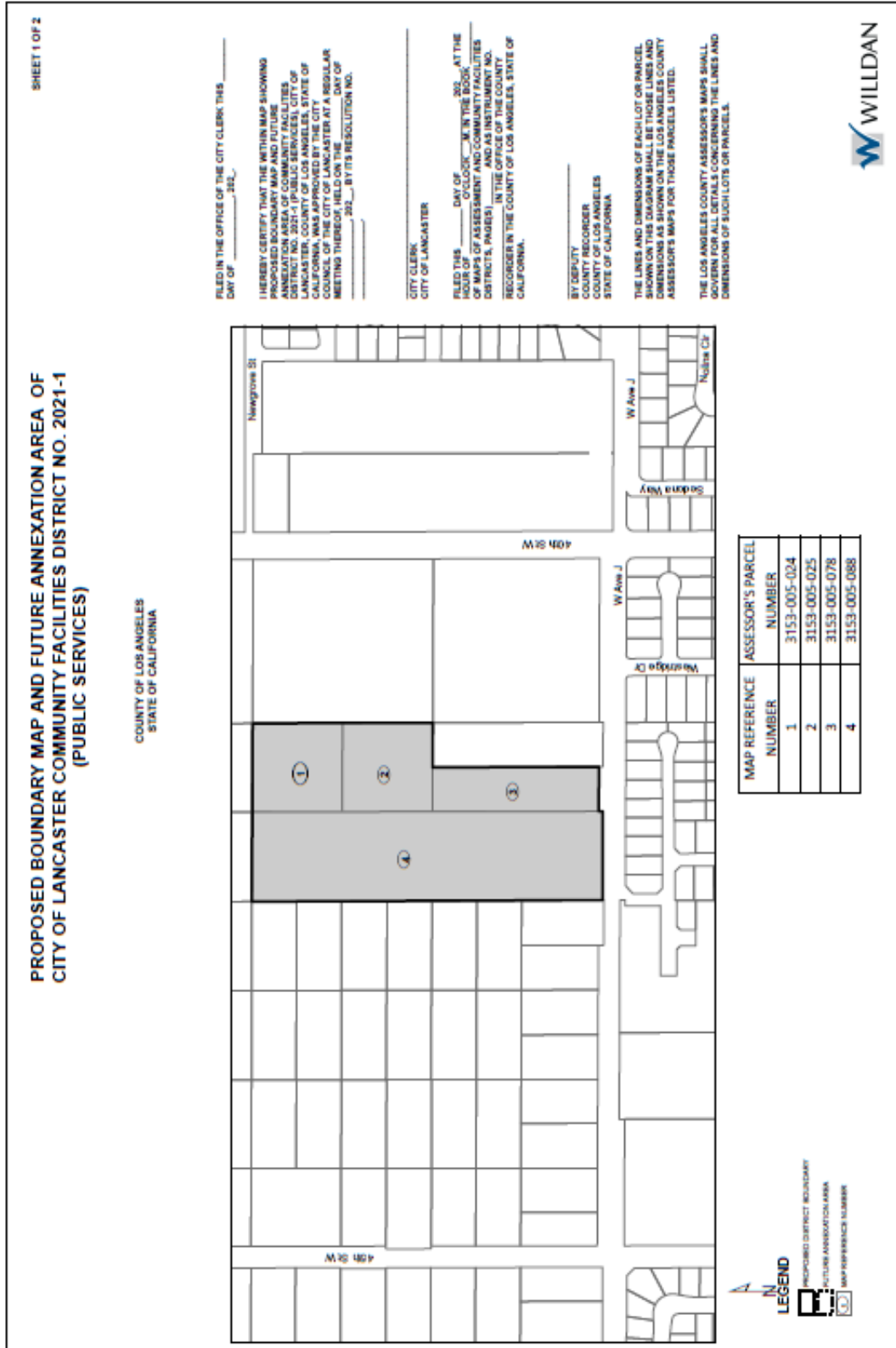
CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster, California,
do hereby certify that this is a true and correct copy of the original Resolution No. 22-54, for
which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____
day of _____, _____.

(seal)

EXHIBIT A
BOUNDARY MAP



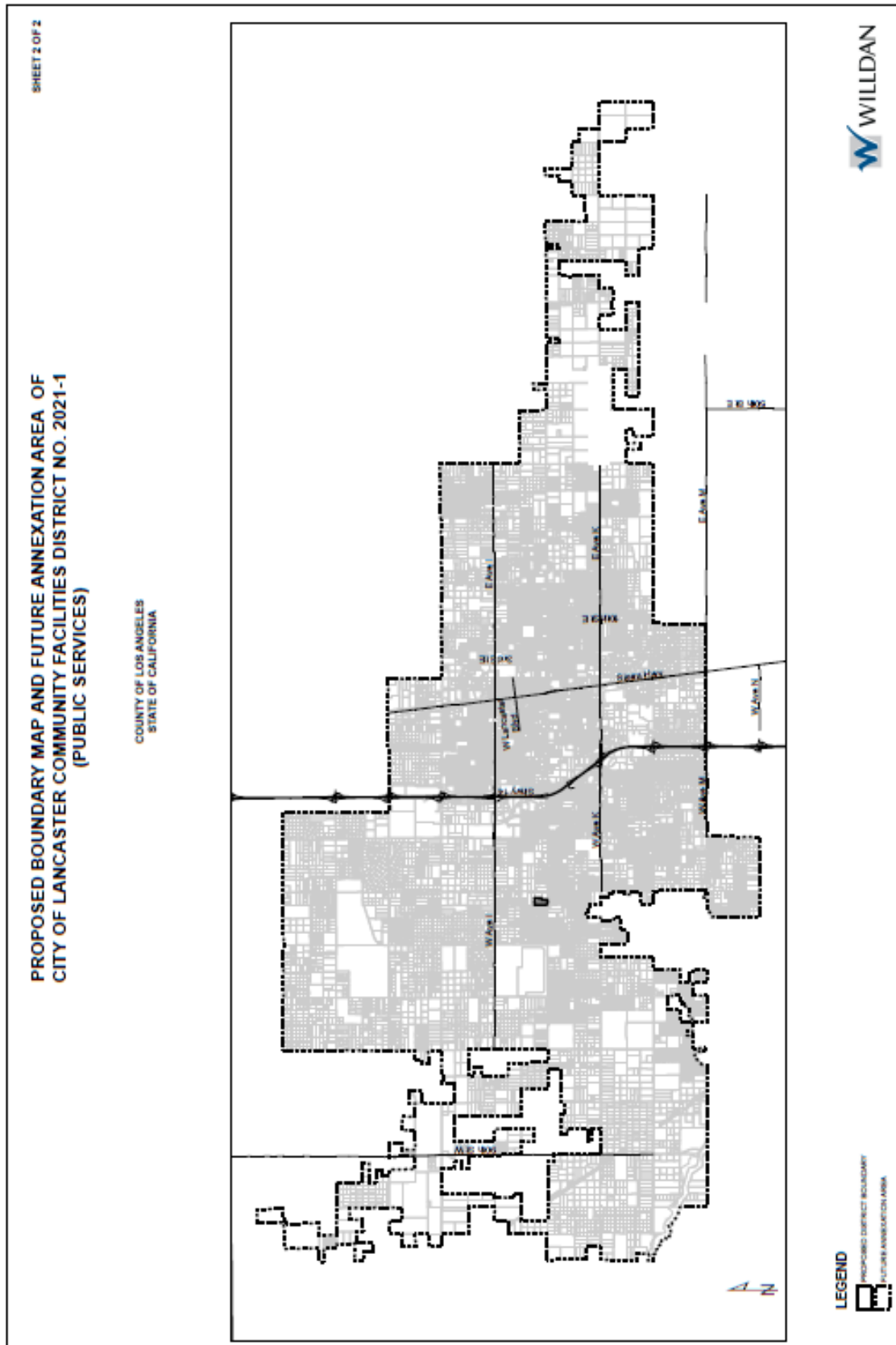


EXHIBIT B

SERVICES

The CFD is proposed to (and if approved and formed will) finance certain types of services, which may include, without limitation, the following:

- Fire protection and suppression services;
- Ambulance and paramedic services;
- Police protection services, including, but not limited to, criminal justice services;
- Maintenance and lighting of parks, parkways, streets, roads, and open space;
- Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems; and/or
- Other improvements as authorized by the Act.

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

For the City of Lancaster Community Facilities District No. 2021-1 (Public Services),
County of Los Angeles, State of California

The Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Lancaster Community Facilities District No. 2021-1 (Public Services), ("CFD 2021-1"), other than Assessor's Parcels classified as Exempt Property as defined herein, and collected each Fiscal Year commencing in Fiscal Year 2021-22, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD 2021-1, unless exempted by law or by the provisions hereof, shall be taxed for the 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 Communities 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 expenses related to the administration of CFD 2021-1: the costs of determining the amount of the levy of the Special Tax, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the payment of a proportional share of salaries and benefits of any City employee and City overhead whose duties are directly related to the administration of CFD 2021-1, fees and expenses for counsel, audits, costs associated with responding to public inquiries regarding CFD 2021-1, and any and all other costs incurred in connection with the administration of CFD 2021-1.

"Annual Escalation Factor" means the annual percentage increase of the All Urban Consumers Consumer Price Index ("CPI") or two percent (2%), whichever is greater. The annual CPI used shall be for the area of Los Angeles-Long Beach-Anaheim, CA as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31, or such other replacement index as may be determined by the City.

"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.

"Base Year" means Fiscal Year beginning July 1, 2021 and ending June 30, 2022.

"Building Permit" means a permit issued for new construction of a residential dwelling or non-residential structure. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of retaining walls, grading, utility improvements, or other such improvements not intended for human habitation.

“Building Square Footage” means all of the square footage within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of “Building Square Footage” for a non-residential structure will be

based on the Building Permit(s) issued for such structure and/or by reference to appropriate records kept by the City.

“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 Tax for CFD 2021-1.

“CFD 2021-1” means City of Lancaster Community Facilities District No. 2021-1 (Public Services) established by the City Council under the Act.

“City” means the City of Lancaster.

“City Council” means the Council of the City of Lancaster, acting as the legislative body of CFD 2021-1.

“County” means the County of Los Angeles.

“Developed Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit was issued on or before June 1 preceding the Fiscal Year for which the Special Tax is being levied.

“Exempt Property” means all Assessor’s Parcels within CFD 2021-1 that are exempt from the Special Tax pursuant to the Act or Section F herein.

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Inner Zone” means all property located within the area identified as Inner Zone in Attachment A.

“Land Use Type” means any of the land use types listed in Table 1 below.

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

“Multi-Family Residential Property” means all Assessor’s Parcels of Residential Property for which a Building Permit has been issued for the purpose of constructing a building or buildings comprised of attached Residential Units available for rental by the general public, not for sale to an end user, and under common management.

“Municipal Services” means those authorized services that may be funded by CFD 2021-1 pursuant to the Act, as amended including but not limited to police protection services; maintenance of streets and roadways; maintenance and operation of street lights; maintenance of parks, parkways and open space; and maintenance of public facilities.

“Non-Residential Property” means any Assessor’s Parcel classified as Developed Property, which is not classified as any, Residential Property, Public Property and Property Owner Association Property.

“Outer Zone” means all property located within the area identified as Outer Zone in Attachment A.

“Property Owner Association Property” means for each Fiscal Year any property within the boundaries of CFD 2021-1 that was 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, as of June 1.

“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 within each Land Use Class.

“Public Property” means any property that is owned by, dedicated or irrevocably dedicated to a city, the federal government, the State of California, the County, or any other public agency (each, a “Public Entity”); provided, however, that any such property is leased by such a Public Entity to a private entity and is thereby subject to taxation pursuant to Section 53340.1 of the Act, such leasehold estate shall be classified and taxed according to the use thereof.

“Residential Property” means all Assessor’s Parcels of Developed Property within CFD 2021-1 for which a Building Permit has been issued for purposes of constructing one or more Residential Unit(s).

“Residential Unit” means any residence in which a person or persons may live, which is not considered to be used for non-residential purposes.

“Single Family Residential Property” means all Assessor’s Parcels of Residential Property not classified as Multi-Family Residential Property.

“Special Tax” means the special tax authorized to be levied within CFD 2021-1 pursuant to the Act, to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the CFD Administrator, for any Fiscal Year to: (i) pay the costs of providing the Municipal Services during such Fiscal Year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish any operational reserve fund established for Municipal Services, (iv) pay incidental expenses related to the Municipal Services as authorized pursuant to the Act, (v) fund an amount equal to a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied (“Estimated Special Tax Delinquency Amount”) and (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year necessary to fund the Special Tax Requirement for such Fiscal Year where such shortfall resulted from delinquencies in the payment of the Special Tax in such Fiscal Year that exceeded the Estimated Special Tax Delinquency Amount included in the Special Tax Requirement for such Fiscal Year.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to the Act or Section H.

“Undeveloped Property” means an Assessor’s Parcel of Taxable Property which is not classified as Developed Property.

“Zone” means, as the context requires, either Outer Zone or Inner Zone.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2021-22, using the definitions above, each Assessor’s Parcel within CFD 2021-1 shall be assigned to the Outer Zone or the Inner Zone and classified by the CFD Administrator as Taxable Property or Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the CFD Administrator as Developed Property or Undeveloped Property. Commencing with Fiscal Year 2021-22 and for each subsequent Fiscal Year, all Taxable Property shall be assigned a Land Use Type and subject to the levy of the Special Tax pursuant to Section C below.

C. SPECIAL TAX RATES

1. Developed Property

Each Fiscal Year commencing in Fiscal Year 2021-22, each Assessor’s Parcel of Developed Property shall be subject to the Special Tax.

The Maximum Special Tax for Developed Property for Fiscal Year 2021-22 is shown below in Table 1.

TABLE 1

Land Use Type	Outer Zone Maximum Special Tax	Inner Zone Maximum Special Tax
Single-Family Residential Property	\$901 per Residential Unit	\$546 per Residential Unit
Multi-Family Residential Property	\$631 per Residential Unit	\$382 per Residential Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax rates shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

2. Undeveloped Property

Each Fiscal Year commencing in Fiscal Year 2021-22, each Assessor's Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax.

3. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel or Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing in Fiscal Year 2021-22 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD 2021-1 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property within CFD 2021-1 up to 100% of the Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding any provision of this Section D to the contrary, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property that is classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default in the payment of the Special Tax by the owner of any other Assessor's Parcel.

E. PREPAYMENT OF SPECIAL TAX

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

F. EXEMPTIONS

The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, including but not limited to property designated for open space, trails, pathways, parks or park and recreation related facilities, (iv) property reasonably designated by the City or CFD Administrator as affordable housing, and (v) property reasonably designated by the City or CFD Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors.

G. APPEALS

Any property owner claiming that the amounts or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

H. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Special Tax may be billed and collected at a different time or in a different manner if necessary to meet the financial obligations of CFD 2021-1.

I. DURATION OF TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement unless such tax is no longer required as determined by the City Council.

Attachment A – Zone Map

