

ITEM 4.11

CITY MANAGER'S REPORT FEBRUARY 12, 2024 REGULAR CITY COUNCIL MEETING

ITEM: **AUTHORIZE THE FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2024-1 (EAGLES LANDING SERVICES)**

RECOMMENDATION: **Adopt a Resolution of Intention to Establish City of Lathrop Community Facilities District No. 2024-1 (Eagles Landing Services) to Finance Public Services**

SUMMARY:

As part of their development agreement requirements, master developers are required to submit to the City a fiscal impact analysis. The purpose of a fiscal impact analysis is to estimate the overall financial impacts a development will have on the City. This analysis enables the City to estimate the difference between the costs of providing services to a new development and the revenue the new development will generate.

The City and DR Horton (developer) have recently completed a fiscal impact analysis for the Eagles Landing project. The fiscal impact analysis projected that the development would produce a shortfall to the City's General Fund. In order for the City to ensure that development continues to pay its own way, Community Facilities District (CFD) No. 2024-1 (Eagles Landing Services) needs to be formed to cover the shortfalls.

It is recommended Council authorize the attached Resolution of Intention to establish the City of Lathrop Community Facilities District No. 2024-1 (Eagles Landing Services) (the "District") and to levy a special tax to finance the costs of certain public facilities and services of benefit to the properties within the District.

BACKGROUND:

City Staff, the Financing Team and the Developer have had several discussions to help formulate the proposed District and the special tax to be levied, which has been approved by the developer and will be calculated and levied as set forth in the Rate and Method of Apportionment of Special Tax (Exhibit B of Attachment A).

The District will include 95 parcels and will have a single tax rate formula, for the levy of the "Special Tax", for the purpose of funding City services.

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The description of the services authorized to be paid for by the Special Tax, are described in the "Description of Services" (Exhibit A of Attachment A). The services shall include:

Services

- Police Protection Services
- Maintenance of open space; including irrigation and vegetation control
- Maintenance of roads and roadways; including street sweeping, street repair, street striping and repair and repainting of sound walls
- Storm protection; including operation and maintenance of storm drainage system
- Landscaping of public areas; including irrigation, tree trimming and vegetation maintenance and control

The City Council has four documents for consideration:

1. *The Resolution of Intention (Attachment A)* - The resolution sets forth the intention to establish the District, designates the name of the District, identifies the services and facilities to be funded, and states the City's intention to levy a special tax to pay for the services and in the future to pay for the acquisition, construction, and associated costs of the public facilities. The Resolution also sets April 8, 2024 as the date for a hearing on the matters set forth therein.
2. *Description of Services (Exhibit A of Attachment A)* - Description of the services that are authorized to be funded from special tax revenues generated within the District.
3. *The Rate and Method of Apportionment of Special Tax (Exhibit B of Attachment A)* is a key document in that it provides for the security for the funding of the District. This document presents how the revenues from the District are to be collected and also sets forth the purpose and level of the taxes from the various different types of properties.
4. *The District Boundary Map (Attachment B)* - Details the legal parcels which will make up the properties within the boundaries of the District.

Today's resolution sets the public hearing date, at which time the City Council will hear a presentation on the proposed District. At the same time, the election of the property owners is expected to be completed. The election results will unanimously favor the District formation, as the Developer, as the only property owner within the District boundaries, will be voting. It is expected that the Developer will waive a number of noticing and election procedures that make it possible for the proposed district to be formed in a relatively short period of time.

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At the public hearing on the District, protests against the establishment of the District, the extent of the District, or the furnishing of specified types of services within the District may be made orally or in writing by any interested persons or taxpayers. Any protests pertaining to the regularity or sufficiency of the proceedings shall be made in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the hearing. The City Council may waive any irregularities in the form or content of any written protest and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing. If the City Council determines at the conclusion of the hearings to proceed with the establishment of the District, the proposed voting procedure shall be by landowners voting in accordance with the Mello-Roos Community Facilities District Act of 1982, as there are less than twelve registered electors residing within the proposed district boundaries.

Notice of the Public Hearing will be published in the same manner as the City's other public hearing notifications at least seven days prior to the hearing date. Furthermore, a notice of the hearing will be mailed to each property owner and registered voter within the proposed District boundaries (unless otherwise waived).

REASON FOR RECOMMENDATION:

Staff has worked with DR Horton to complete a fiscal impact analysis for their project. The fiscal impact analysis has determined that the proposed development will produce a shortfall to the City's General Fund. In order for the City to ensure that development continues to pay its own way, a Community Facilities District (CFD) needs to be formed to cover the shortfalls.

In order to form the CFD, Council needs to adopt the Resolution of Intention. The Resolution is required to be adopted by a majority approval of the City Council.

FISCAL IMPACT:

DR Horton has funded the forming of the CFD.

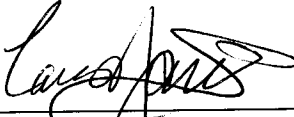
ATTACHMENTS:

- A. Resolution of Intention to Establish Community Facilities District
Exhibits to Attachment A:
 - A. Description of Authorized Services
 - B. Rate and Method of Apportionment of Special Tax

- B. Community Facilities District No. 2024-1 Boundary Map

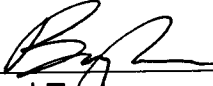
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APPROVALS:




Cari James
Director of Finance

1/17/2024
Date




Brad Taylor
City Engineer

1/18/2024
Date



Salvador Navarrete
City Attorney

1-18-2024
Date



Stephen J. Salvatore
City Manager

2/5/24
Date

RESOLUTION NO. 24-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP DECLARING INTENTION TO ESTABLISH CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2024-1 (EAGLES LANDING SERVICES) TO FINANCE PUBLIC SERVICES

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") is authorized to establish a community facilities district and to act as its legislative body; and

WHEREAS, this Council, having received a request from the owners of the area of developing land proposed to be included in the proposed community facilities district within the City, now desires to proceed with the establishment of such community facilities district to finance costs of certain public services required to meet the demands of new development of such land; and

NOW, THEREFORE, IT IS RESOLVED as follows:

1. Authority. This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Act, and hereby determines that public convenience and necessity require that it be established pursuant to the Act.

2. Name of CFD. The name proposed for the community facilities district is City of Lathrop Community Facilities District No. 2024-1 (Eagles Landing Services) (the "CFD").

3. Boundaries Described. The proposed boundaries of the CFD are as shown on the map of it on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. This Council finds that the map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code. This Council directs the City Clerk to certify the adoption of this resolution on the face of the map, and to file a copy of the map in the office of the City Clerk in accordance with Section 3111 of the California Streets and Highways Code, and within 15 days of the date of adoption of this resolution but in no event later than 15 days prior to the public hearing provided for herein transmit the map to the County Recorder for recording in the Book of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of San Joaquin.

4. Services. The types of public services proposed to be provided within the CFD are set forth on Exhibit A attached to this Resolution (the "Services"). The Council hereby finds that these Services are necessitated by new development occurring and anticipated within the CFD and the Council hereby determines that the increased Services are necessary to meet increased demands placed upon local agencies as the result of development occurring or to occur within the CFD.

The Services are in addition to those provided in the territory of the CFD as of the date hereof and will not supplant services already available within the territory of the CFD as of the date hereof.

5. Special Tax. Except to the extent that funds are otherwise available, the City will levy the special taxes (together, the "Special Tax") to pay directly for the Services. The Special Tax will be secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto and hereby incorporated herein (the "Rate and Method").

6. Exempt Property. Except as may otherwise be provided by the Act, by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the Services and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the required annual expenses of the CFD, subject to the provisions of the rate and method of apportionment of the Special Tax.

7. Election. The levy of the Special Tax shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD.

8. CFD Report. The City's Finance Director, as the officer having charge and control of the Services in and for the CFD, or the designee of such officer, is hereby directed to study said proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing, (the "CFD Report") presenting the following:

(a) A description of the Services by type which will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith.

The CFD Report shall be made a part of the record of the public hearing specified below.

9. Public Hearing. Monday, April 8, 2024, at 7:00 p.m. or as soon as possible thereafter, in the Council Chambers, 390 Towne Centre Drive, Lathrop, California 95330, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the levy of the Special Tax.

At the hearing, testimony concerning the CFD, the extent of the CFD or the furnishing of the particular types of Services will be heard and protests will be considered from registered voters residing within the CFD and persons owning real property within the CFD. Written protests by a majority of the registered voters (if at least six such voters protest), or by the owners of a majority of the land (by acreage) which would be subject to special taxation within the proposed the CFD will require the suspension of proceedings for at least one year. Written protests must be filed with the City Clerk at or before the time fixed for the hearing. If such protests are directed only against certain elements of the proposed Services or proposed special tax, and if such protests constitute a majority protest, only those elements shall be deleted from the proceedings.

10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least seven days before the date of the public hearing specified above. The City may also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's address as it appears on the most recent tax records of San Joaquin County or as otherwise known to the City to be correct. Such mailing shall be completed not less than 15 days before the date of the public hearing. Each of the notices shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

11. Billing of Special Tax. It is anticipated that the special tax will be billed as a separate line item on the regular property tax bill. However, this Council reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing.

12. Further Action. The Mayor, City Manager, Finance Director, Treasurer, City Attorney, City Clerk and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

13. No Obligation. This Resolution shall in no way obligate the Council of the City to form the CFD. The formation of the CFD shall be subject to the approval of this Council by resolution following the holding of the public hearing referred to above.

The foregoing resolution was passed and adopted this 12th day of February, 2024, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:



Teresa Vargas, City Clerk

Salvador Navarrete, City Attorney

EXHIBIT A

CITY OF LATHROP Community Facilities District No. 2024-1 (Eagles Landing Services)

DESCRIPTION OF SERVICES TO BE FINANCED BY THE CFD

Services

The services to be funded, in whole or in part, by the community facilities district (CFD) include all direct and incidental costs related to providing public services and maintenance of public infrastructure within the Eagles Landing area included in the CFD. More specifically, the services shall include, but not be limited to: (i) police protection services, (ii) maintenance of open space, including trails and habitat areas, with services to include, but not be limited to, irrigation and vegetation control; (iii) maintenance of roads and roadways, with services to include, but not be limited to, regularly scheduled street sweeping, repair of public streets, striping of streets and repair and repainting of sound walls and other appurtenances; (iv) storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, (v) landscaping in public areas and in the public right of way along public streets, including, but not limited to, irrigation, tree trimming and vegetation maintenance and control; and (vi) any other public services authorized to be funded under Section 53313 of the California Government Code that are not already funded by another community facilities district on the property within the CFD.

The CFD may fund any of the following related to the services described in the preceding paragraph: obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of personnel necessary or convenient to provide the services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of services. The services to be financed by the CFD are in addition to those provided in the territory of the CFD before the date of formation of the CFD and will not supplant services already available within that territory when the District is created.

Administrative Expenses

The administrative expenses to be funded by the CFD include the direct and indirect expenses incurred by the City of Lathrop (City) in carrying out its duties with respect to the CFD including, but not limited to, the levy and collection of the special taxes, the fees and expenses of attorneys, any fees of the County of San Joaquin related to the CFD or the collection of special taxes, an allocable share of the salaries of any City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the CFD or the services authorized to be financed by the CFD, and expenses incurred by the City in undertaking action to

foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the CFD.

Other

The incidental expenses that may be funded by the CFD include, in addition to the administrative expenses identified above, the payment or reimbursement to the CFD of all costs associated with the establishment and ongoing administration of the CFD.

EXHIBIT B

**CITY OF LATHROP
Community Facilities District No. 2024-1
(Eagles Landing Services)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

[begins on following page]

**RATE AND METHOD OF APPORTIONMENT
FOR CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(EAGLES LANDING SERVICES)**

A Special Tax, as hereinafter defined, shall be levied and collected in City of Lathrop Community Facilities District No. 2024-1 (Eagles Landing Services) ("CFD No. 2024-1") each Fiscal Year commencing in Fiscal Year 2024/25, in an amount determined by the application of the procedures below. All Taxable Property, as hereinafter defined, 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 meaning:

"Accessory Dwelling Unit" or "ADU" means all Assessor's Parcels of Single-Family Residential Detached Property for which a building permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 65852.2(j)(1), as may be amended from time to time, which is accessory to a primary Unit. The ADU may be located on the same Assessor's Parcel as the primary Unit or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU Unit only.

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event the Assessor's Parcel Map or Assessor's Data shows no Acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map. If the preceding maps are not available, the Acreage of an Assessor's Parcel may be determined utilizing GIS.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2024-1 including, but not limited to, the following: the costs of computing the Annual Special Tax Requirement and of preparing the Special Tax collection schedules; the costs of collecting the Special Tax, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Tax; the costs of the City or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any action arising from any delinquent Special Tax in CFD No. 2024-1. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2024-1 for any other administrative purposes, including, but not limited to, attorney's fees.

“Annual Services Costs” means the respective amounts determined by the CFD Administrator required to fund services authorized to be funded by CFD No. 2024-1 for the applicable yearly period.

“Annual Special Tax Requirement” means that amount with respect to CFD No. 2024-1 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with CFD No. 2024-1, and (4) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

“Assessor’s Data” means Assessor’s Parcel Number, Units, Acreage, or other information contained in the records of the County Assessor for each Assessor’s Parcel.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map and/or Assessor’s Data 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.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County Assessor for purposes of identification.

“Building Square Feet” or **“BSF”** 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 Feet shall be made by reference to the Assessor’s Data. If the Assessor’s Data does not show Building Square Feet, building permit(s) issued for such structure, or other records of the City shall be used, as determined by the CFD Administrator.

“City” means the City of Lathrop, California.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 2024-1.

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

“CFD No. 2024-1” means the City of Lathrop Community Facilities District No. 2024-1 (Eagles Landing Services).

“County” means the County of San Joaquin.

“County Assessor” means the County Assessor of the County.

“Developed Property” means, in any Fiscal Year, all Taxable Property in CFD No. 2024-1 for which a building permit for new construction was issued by the City prior to June 1 of the preceding Fiscal Year.

“Exempt Property” means all Assessors’ Parcels within the boundary of CFD No. 2024-1 which are exempt from the Special Tax pursuant to Section E.

"Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4120, that creates individual lots for which residential building permits may be issued without further subdivision of such property.

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

"GIS" means a geographic information system.

"Initiative #1935" means initiative constitutional amendment 1935 which is eligible for the November 5, 2024, general election ballot and will be certified as qualified unless withdrawn by the proponent prior to June 27, 2024.

"Maximum Special Tax" means the maximum Special Tax authorized to fund the Annual Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C.

"Mixed-Use Property" means all Assessor's Parcels of Developed Property that have more than one land use category, allowing for both a Single-Family Residential Detached Property Unit and an ADU Unit on each such Assessor's Parcel. For an Assessor's Parcel of Mixed-Use Property, the Special Tax shall be calculated and levied for each use type present on the Assessor's Parcel.

"Open Space Property" means property within the boundaries of CFD No. 2024-1 which (i) has been designated with specific boundaries and Acreage on a Final Subdivision Map as open space, (ii) is classified by the County Assessor as open space, (iii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iv) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

"Property Owner's Association" means any property owner's association. As used in this definition, a Property Owner's Association includes any home-owner's association, condominium owner's association, master or sub-association or non-residential owner's association.

"Property Owner's Association Property" means any property within the boundaries of CFD No. 2024-1 which is (a) owned by a Property Owner's Association or (b) designated with specific boundaries and acreage on a Final Subdivision Map as property owner association property.

"Proportionately" means for Taxable Property that the ratio of the Special Tax levy to the Maximum Annual Special Tax is equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 2024-1.

"Public Property" means any property within the boundaries of CFD No. 2024-1 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a Final Subdivision Map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other public agency.

“Single Family Residential Detached Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) has been issued for a detached residential structure intended as a single primary Unit.

“Special Tax” means the amount levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Annual Special Tax Requirement.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2024-1 that are not Exempt Property.

“Undeveloped Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2024-1 that is not classified as Developed Property, Open Space Property, Property Owner’s Association Property, or Public Property.

“Unit” means (i) for Single Family Residential Detached Property, an individual single family detached residential unit and (ii) for ADUs, each residential unit. The number of Units assigned to each Assessor’s Parcel may be determined by (i) referencing Assessor’s Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator.

“Welfare Exempt Property” means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 2024-1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act.

B. DETERMINATION OF TAXABLE PARCELS

Each Fiscal Year, the CFD Administrator shall determine the valid Assessor’s Parcel Numbers for all Taxable Property within CFD No. 2024-1. If any Assessor’s Parcel Numbers are no longer valid, the CFD Administrator shall determine the new Assessor’s Parcel Number or Numbers in effect for the then-current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Maximum Special Tax shall be assigned to the new Assessor’s Parcels Numbers pursuant to Section C. The CFD Administrator shall also determine: (i) which Parcels are Taxable Property; (iii) the number of Units or Building Square Footage each Parcel contains; (iv) the property type, i.e., Single-Family Residential Detached Property, Accessory Dwelling Unit, or Mixed-Use Property; and (v) the Annual Special Tax Requirement for the Fiscal Year.

C. MAXIMUM ANNUAL SPECIAL TAX RATES

The Maximum Special Taxes for each Assessor’s Parcel of Taxable Property shall be assigned below:

1. Maximum Special Taxes

The Maximum Special Tax for each Assessor’s Parcel of Taxable Property shall be assigned according to Table 1 below:

**TABLE 1
MAXIMUM SPECIAL TAX RATES
FISCAL YEAR 2024/25***

Land Use Category	Maximum Special Tax Rate	Per
Single-Family Residential Detached Property	\$1,625.00	Unit
Accessory Dwelling Unit	See Below	Unit

Accessory Dwelling Unit

The Maximum Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Maximum Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Single-Family Residential Detached Property Unit with 2,000 BSF has an ADU of 800 BSF, the Maximum Special Tax for the ADU shall be calculated by the following steps:

1. $800 \text{ BSF} / 2,000 \text{ BSF} = 0.40$ or 40%
2. $\$1,625.00 \text{ Maximum Special Tax per Unit} \times 40\% = \$650.00 \text{ Maximum Special Tax for such ADU}$

*On July 1 of each Fiscal Year, commencing on July 1, 2025, the Maximum Special Tax rates shall be increased by the lesser of (i) the increase from the prior Fiscal Year, if any, in the Local Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward Area for All Urban Consumers, or (ii) four percent (4%). The CPI used shall be as determined by the Bureau of Labor Statistics from April-to-April beginning with the period from April 2024 to April 2025.

In some instances, an Assessor’s Parcel of Developed Property may be Mixed-Use Property. The Maximum Special Tax levied on an Assessor’s Parcel shall be the sum of the Maximum Special Tax for all Units of each property type on that Assessor’s Parcel.

2. Assignment of Assessor’s Parcel(s) to Property Land Use Category

When an Assessor’s Parcel changes from being classified as Undeveloped Property to another land use category and is considered Developed Property, that assignment shall not change due to future changes in land use.

3. Assignment of Maximum Special Tax to Newly Created Assessor’s Parcel(s)

After a Final Subdivision Map has been recorded, if there are changes to the overall planned development within CFD No. 2024-1, the process for assigning the Maximum Special Tax to each

Assessor’s Parcel expected to be classified as Single-Family Residential Detached Property is as follows:

Step 1: Determine the then-current total expected Maximum Special Tax for CFD No. 2024-1, by referencing Table 2.

Step 2: Identify the Assessor’s Parcel(s) of Taxable Property expected to be classified as Single-Family Residential Detached Property and assign the Maximum Special Tax to each Assessor’s Parcel of Taxable Property expected to be classified as Single-Family Residential Detached Property according to the then-current Maximum Special Tax Rates for such category. Sum the Maximum Special Tax assigned to each Assessor’s Parcel of Taxable Property expected to be classified as Single-Family Residential Detached Property.

Step 3: Divide the total expected Maximum Special Tax in Step 1 by the total Maximum Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total expected Maximum Special Tax from Step 1 to each Assessor’s Parcel of Taxable Property expected to be classified as Single-Family Residential Detached Property by multiplying each Assessor’s Parcel fraction, determined in Step 3, by the then-current Maximum Special Tax Rates for Single-Family Residential Detached Property.

Step 5: The Maximum Special Tax assigned to each Assessor’s Parcel of Taxable Property expected to be classified as Single-Family Residential Detached Property shall be the greater of the Maximum Special Tax assigned in Step 2 or the Maximum Special Tax calculated in Step 4.

If there are no changes to the planned development within CFD No. 2024-1, the Maximum Special Tax shall be assigned according to Table 1.

The planned development is provided in the table below:

**TABLE 2
PLANNED DEVELOPMENT AND TOTAL EXPECTED MAXIMUM SPECIAL TAX
FISCAL YEAR 2024/25***

Land Use Category	Planned Development	Total Expected Maximum Special Tax
Single-Family Residential Detached Property	95 Units	\$154,375.00

*On July 1 of each Fiscal Year, commencing on July 1, 2025, the Maximum Special Tax rates shall be increased by the lesser of (i) the increase from the prior Fiscal Year, if any, in the Local Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward Area for All Urban Consumers, or (ii) four percent (4%). The CPI used shall be as determined by the Bureau of Labor Statistics from April-to-April beginning with the period from April 2024 to April 2025.

Once created, if a newly created Assessor’s Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Special Tax for the

additional newly created Assessor's Parcel(s) of Taxable Property created from the change or subdivision.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

All Taxable Property shall be subject to the Special Tax defined as follows. The Special Tax shall be levied each Fiscal Year by the CFD Administrator.

The Annual Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2024-1 by the method shown below.

First: Determine the Annual Special Tax Requirement.

Second: Levy the Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Special Tax.

Under no circumstances will the Special Taxes on any Assessor's Parcel of Developed Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2024-1.

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Open Space Property, Property Owner's Association Property, Undeveloped Property, Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, or Public Property, except as otherwise provided in Sections 53317.3, 53317.5 and 533401 of the Act.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property.

F. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Tax. In addition, during the term of the appeal process, all Special Tax 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 property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit the Special Tax in future years.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATIONS OF RATE AND METHOD OF APPORTIONMENT

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

H. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2024-1, and may collect delinquent Special Taxes through available methods.

A Special Tax shall be levied commencing in Fiscal Year 2024/25 to the extent necessary to satisfy the Annual Special Tax Requirement and shall be levied each Fiscal Year thereafter for as long as required to satisfy the Annual Special Tax Requirement. However, should Initiative #1935 be included as an initiative measure at election and subsequently be approved by voters, the duration of the Special Tax is 500 years.

I. PREPAYMENT OF SPECIAL TAX

The Special Tax may not be prepaid.

PROPOSED BOUNDARIES OF CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2024-1 (EAGLES LANDING SERVICES)

CITY OF LATHROP
COUNTY OF SAN JOAQUIN
STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LATHROP THIS _____ DAY OF _____, 202__.

CITY CLERK
CITY OF LATHROP
SAN JOAQUIN COUNTY, CALIFORNIA

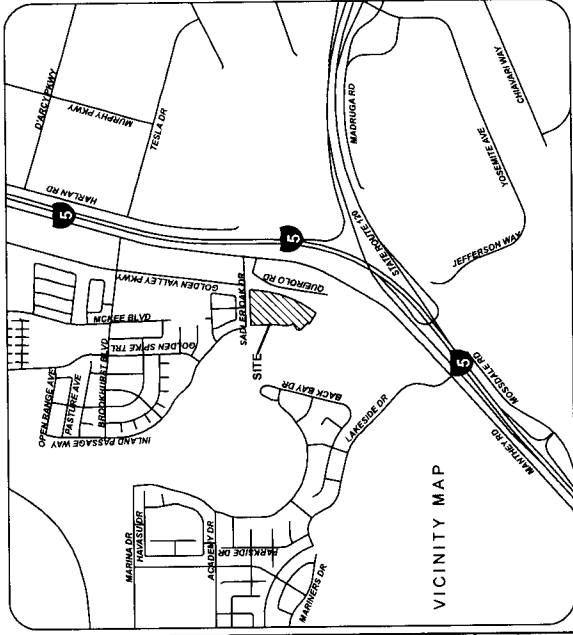
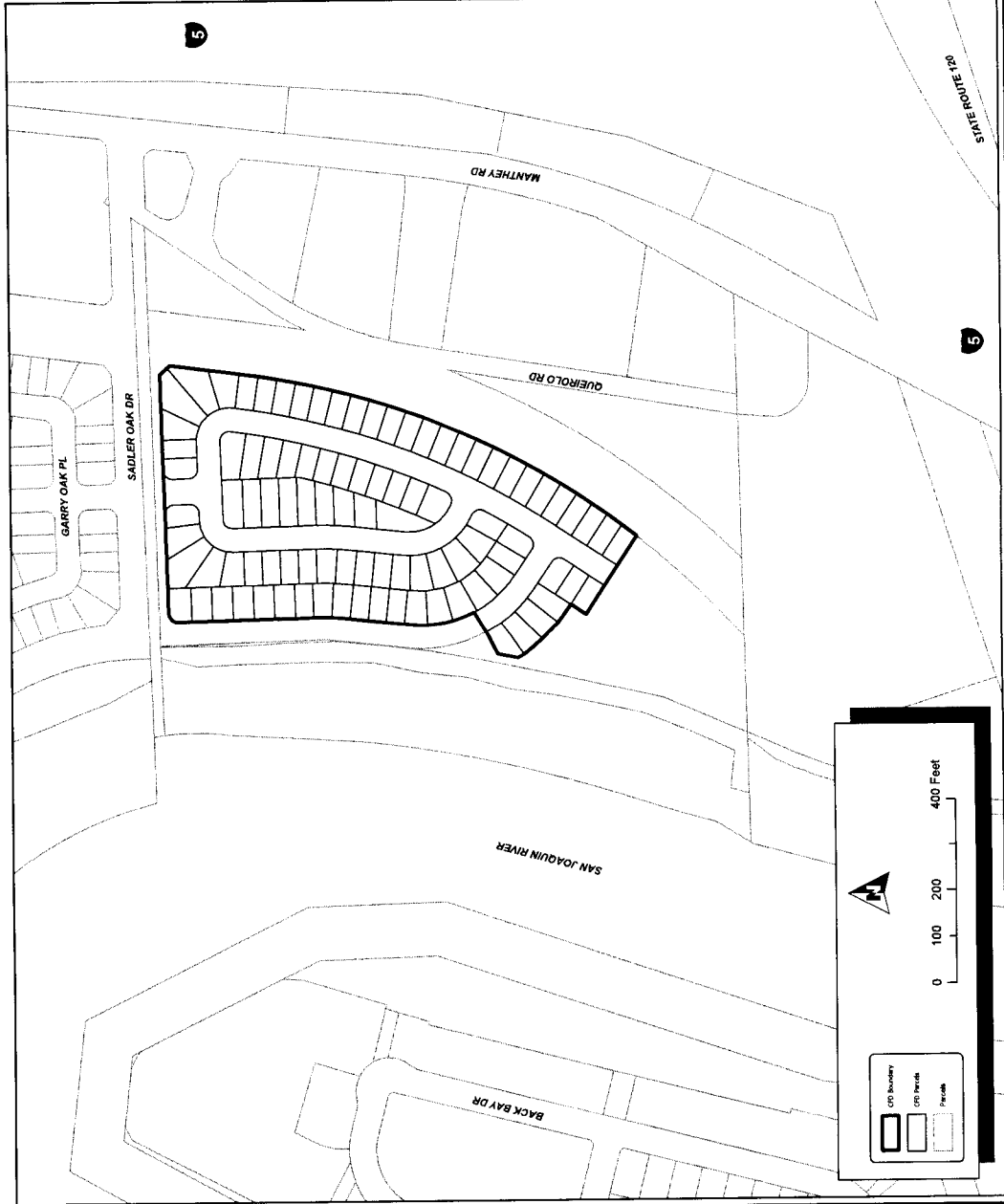
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2024-1 (EAGLES LANDING SERVICES), CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LATHROP AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 202__, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF LATHROP
SAN JOAQUIN COUNTY, CALIFORNIA

FILED THIS _____ DAY OF _____, 202__, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA. INSTRUMENT NUMBER _____.

COUNTY RECORDER
COUNTY OF SAN JOAQUIN, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.



ONBS

Source: San Joaquin County GIS
 Geographic Coordinate Reference: GCS North American 1983
 Projection: NAD 1983 StatePlane California III FIPS 0403 Feet