

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY  
OF CATHEDRAL CITY TO ESTABLISH IMPROVEMENT AREA NO. 9  
OF THE CITY OF CATHEDRAL CITY COMMUNITY FACILITIES  
DISTRICT NO. 2006-1 (LAW ENFORCEMENT, FIRE, PARAMEDIC  
AND PARK MAINTENANCE SERVICES) AND TO AUTHORIZE THE  
LEVY OF A SPECIAL TAX WITHIN SAID IMPROVEMENT AREA**

**WHEREAS**, the City Council (the “Council”) of the City of Cathedral City (the “City”) has received a petition (including consent and waiver) (the “Petition”) requesting the institution of proceedings for formation of a community facilities district (the “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California (the “Act”); and

**WHEREAS**, the Council has determined that the Petition complies with the requirements of Section 53318(b) of the Act and now intends to form the CFD; and

**WHEREAS**, the Council intends to finance (1) police protection services, (2) fire protection/paramedic services, and (3) park maintenance services that are in addition to those provided in the territory within the CFD prior to the formation of the CFD and do not supplant services already available within the territory proposed to be included in the CFD through the formation of the CFD subject to the levy of a special tax to pay for such services, being approved at an election to be held within the boundaries of the CFD; and

**WHEREAS**, the Council intends to provide for the annexation in the future of territory (the “Future Annexation Area”) to the CFD pursuant to the terms and provisions of the Act,

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The Council hereby determines to institute proceedings for the formation of a community facilities district under the terms of the Act. The exterior boundaries of the community facilities district are hereby specified and described to be as shown on that certain map now on file in the office of the City Clerk entitled “Proposed Boundaries of Improvement Area No. 9 of Community Facilities District No. 2006-1 of the City of Cathedral City,” which map indicates by a boundary line the extent of the territory included in the proposed community facilities district and shall govern for all details as to the extent of the CFD. On the original and one copy of the map of such CFD on file in the City Clerk’s office, the City Clerk shall endorse the certificate evidencing the date and adoption of this Resolution. The City Clerk shall file the original of such map in her office and, within fifteen (15) days after the adoption of this Resolution, the City Clerk shall file a copy of such map so endorsed in the records of the County Recorder, County of Riverside, State of California.

**Section 2.** The Future Annexation Area, which area is to be subject to a special tax to be levied, shall be comprised of undeveloped parcels within the boundaries of the City, other

than those parcels already within the boundaries of the proposed CFD, that require a discretionary approval for development, which are developed for non-retail commercial purposes, and such other parcels as may be added upon the petition of the property owners thereof. Such Future Annexation Area may be annexed only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed.

**Section 3.** The name of the proposed community facilities district shall be "Improvement Area No. 9 of the City of Cathedral City Community Facilities District No. 2006-1 (Law Enforcement, Fire, Paramedic and Park Maintenance Services)."

**Section 4.** Except where funds are otherwise available, it is the intention of the City Council to levy annually in accordance with procedures contained in the Act a special tax (the "Special Tax") sufficient to finance a portion of the cost of providing law enforcement, fire and paramedic services that are in addition to those provided in the territory within the CFD prior to the formation of the CFD and do not supplant services already available within the territory proposed to be included in the CFD, the costs of administering the levy and collection of the Special Tax and all other costs of the levy of the Special Tax, including any foreclosure proceedings, legal, fiscal, and financial consultant fees, election costs, and all other administrative costs of the tax levy. The Special Tax will be secured by recordation of a continuing lien against all real property in the proposed CFD. The schedule of the rate and method of apportionment and manner of collection of the Special Tax is described in detail in Exhibit "A" attached hereto and by this reference incorporated herein.

The Special Tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act.

The schedule of the rate and method of apportionment of special taxes with respect to any Future Annexation Area may be different than the rate and method of apportionment of special taxes with respect to the CFD.

**Section 5.** A public hearing (the "Hearing") on the establishment of the CFD and the proposed rate and method of apportionment of the Special Tax shall be held on August 26, 2015, at 6:30 o'clock p.m., or as soon thereafter as practicable, at the chambers of the City Council of the City of Cathedral City, 68700 Avenida Lalo Guerrero, Cathedral City, California 92234.

**Section 6.** At the time and place set forth above for the hearing, any interested person, including all persons owning lands or registered to vote within the proposed CFD, may appear and be heard.

**Section 7.** Each City officer who is or will be responsible for the CFD, if it is established, is hereby directed to study the proposed CFD and, at or before the time of the above-mentioned Hearing, file a report with the City Council, and which is to be made a part of the record of the Hearing, containing a brief description of the CFD and his or her estimate of the cost of providing additional law enforcement, fire and paramedic services within the boundary of the CFD. The City Manager is directed to estimate the fair and reasonable cost of all incidental expenses, including all costs associated with the creation of the CFD, determination of the

amount of any special taxes, collection of any special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the City with respect to the CFD.

**Section 8.** The City may accept advances of funds from any sources, including private persons or private entities, and is authorized and directed to use such funds for any authorized purpose, including any cost incurred by the City in creating the CFD. The City may enter into an agreement to repay all of such funds as are not expended or committed for any authorized purpose at the time of the election on the levy of the Special Tax, if the proposal to levy such tax should fail, and to repay all of such funds advanced if the levy of the Special Tax shall be approved by the qualified electors of the CFD.

**Section 9.** The City Clerk is hereby directed to publish a notice ("Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed CFD. Such Notice shall contain the text of this Resolution, state the time and place of the Hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the proposed CFD as provided in Section 53324 of the Act and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least 7 days prior to the date of the Hearing.

**Section 10.** The voting procedure with respect to the establishment of the CFD and the imposition of the special tax shall be by hand delivered or mailed ballot election.

**PASSED, APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_,  
2015, by the following vote:

**AYES:**

**NOES:**

**ABSET:**

**ABSTAIN:**

\_\_\_\_\_  
**Mayor**

**ATTEST:**

\_\_\_\_\_  
**City Clerk**

**EXHIBIT A**

**RATE AND METHOD OF APPORTIONMENT  
OF SPECIAL TAX**

**RATE AND METHOD OF APPORTIONMENT FOR  
IMPROVEMENT AREA NO. 9 OF  
COMMUNITY FACILITIES DISTRICT NO. 2006-1  
(DESERT BLOOM)  
OF THE CITY OF CATHEDRAL CITY**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 9 ("IA No. 9") of Community Facilities District No. 2006-1 of the City of Cathedral City ("CFD No. 2006-1") and collected each Fiscal Year commencing in Fiscal Year 2015-2016, in an amount determined by the Council through the application of the appropriate Special Tax for "Developed Property" as described below. All of the real property in IA No. 9, 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:

**"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 map, parcel map, condominium plan, or other recorded County parcel map.

**"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 of California.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of IA No. 9: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs to the City, IA No. 9 or any designee thereof of complying with City or IA No. 9 disclosure requirements; the costs associated with responding to public inquiries regarding the Special Taxes; the costs of the City, IA No. 9 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 IA No. 9 for any other administrative purposes of IA No. 9, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

**"CFD Administrator"** means an official of the City, or designee thereof, responsible for the annual administration of IA No. 9 as provided herein.

**"CFD No. 2006-1"** means Community Facilities District No. 2006-1 of the City.

**"City"** means the City of Cathedral City.

**"Consumer Price Index"** means 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 Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the City of Los Angeles.

**"Council"** means the City Council of the City, acting as the legislative body of CFD No. 2006-1.

**"County"** means the County of Riverside.

**"Developed Property"** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued after March 1, 2015 and prior to May 1 of the previous Fiscal Year.

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

**"Floor Area"** for any Non-Residential Property means the total square footage of the building(s) located on such 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 sides. The determination of Floor Area shall be made by reference to the building permit(s) issued for such Assessor's Parcel.

**"Improvement Area No. 9"** means Improvement Area No. 9 of CFD No. 2006-1 (Desert Bloom), as identified on the boundary map for CFD No. 2006-1.

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

**"Maximum Special Tax"** means the Maximum Special Tax, determined in accordance with Section C.1 below, which can be levied in any Fiscal Year on any Assessor's Parcel.

**"Non-Residential Property"** means all Assessor's Parcels for which a building permit(s) was issued for a non-residential use.

**"Non-Retail Commercial/Industrial Property"** means all Assessor's Parcels of Developed Property that are considered Non-Residential Property and that are not Retail Commercial Property.

**"Property Owner Association Property"** means, for each Fiscal Year, any Assessor's Parcel within the boundaries of IA No. 9 that was owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association, as of January 1 of the previous Fiscal Year.

**"Public Property"** means, for each Fiscal Year, (i) any property within the boundaries of IA No. 9 that was owned by or irrevocably offered for dedication to the federal government, the State, the City or any other public agency as of January 1 of the previous Fiscal Year;

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 shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of IA No. 9 that was encumbered, as of January 1 of the previous Fiscal Year, by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

**"Residential Property"** means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

**"Retail Commercial Property"** means all Assessor's Parcels of Non-Residential Property for which the building permit was issued for a retail sales tax generating use or which is being used primarily for a retail sales tax generating use, as determined by the CFD Administrator. However, if the land use of an Assessor's Parcel changes and such Assessor's Parcel no longer generates retail sales tax, such Assessor's Parcel shall no longer be considered Retail Commercial Property and shall be classified and taxed according to its use, as determined by the CFD Administrator.

**"Special Tax"** means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property.

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

**"Taxable Property"** means all of the Assessor's Parcels within the boundaries of IA No. 9 which are not exempt from the Special Tax pursuant to law or Section E below.

**"Undeveloped Property"** means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

**B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, all Taxable Property within IA No. 9 shall be classified as Developed Property or Undeveloped Property and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Section C. Residential Property shall be assigned to Land Use Class 1. Non-Retail Commercial/Industrial Property shall be assigned to Land Use Class 2.

**C. MAXIMUM SPECIAL TAX**

**1. Developed Property**

**a. Maximum Special Tax**

The Maximum Special Tax for Fiscal Year 2015-2016 for each Land Use Class is shown below in Table 1.



**TABLE 1**  
**Maximum Special Tax for Developed Property**  
**For Fiscal Year 2015-2016**  
**Improvement Area No. 9**

Land Use Class	Description	Maximum Special Tax
1	Residential	\$612.16 per unit
2	Non-Retail Commercial/Industrial Property	\$0.1423 per SF of Floor Area

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2016, the Maximum Special Tax shall be increased (but not decreased) by the percentage change in the Consumer Price Index not to exceed one percent (1%) per Fiscal Year.

c. 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.

**2. Undeveloped Property**

No Special Tax shall be levied on Undeveloped Property.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2015-2016 and for each following Fiscal Year, the Council shall levy the Special Tax on each Assessor's Parcel of Developed Property at 100% of the applicable Maximum Special Tax.

**E. EXEMPTIONS**

No Special Tax shall be levied on Retail Commercial Property, Property Owner Association Property or Public Property. However, should an Assessor's Parcel no longer be classified as Retail Commercial Property, Property Owner Association Property or Public Property, its tax-exempt status will, without the necessity of any action by the Council, terminate.

**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 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

**G. 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 IA No. 9 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

**H. TERM OF SPECIAL TAX**

The Council is authorized to levy the Special Tax in perpetuity.