DISTRICT REPORT

City of Fresno

Community Facilities District No. 9

Annexation No. 59

Final Parcel Map No. 2004-36

CITY OF FRESNO
Community Facilities District No. 9
Annexation No. 59

COMMUNITY FACILITIES DISTRICT REPORT

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CITY OF FRESNO
Community Facilities District No. 9
Annexation No. 59

INTRODUCTION

The City Council of the City of Fresno ("City") did, pursuant to the provision of the City of Fresno Special Tax Financing Law, Chapter 8, Division 1, Article 3, of the Fresno Municipal Code ("City Law"), on September 26, 2024, adopt Council Resolution No. 2024-235 entitled "Resolution of the Council of the City of Fresno, California, of Intention to Annex Final Parcel Map No. 2004-36 as Annexation No. 59 to the City of Fresno Community Facilities District No. 9 and to Authorize the Levy of Special Taxes". In Council Resolution No. 2024-235 the City expressly ordered the preparation of a written Community Facilities District Report ("District Report"), for the proposed Annexation No. 59, City of Fresno Community Facilities District No. 9 ("CFD No. 9").

The Council Resolution No. 2024-235 ordering the District Report directed that the District Report generally contain the following:

1. A description of the services which will be required to adequately meet the needs of CFD No. 9; and

2. An estimate of the fair and reasonable cost of the services including therewith.

For particulars, reference is made to the Resolution of Intention for CFD No. 9, as previously approved and adopted by the City.

NOW, THEREFORE, I, the Public Works Director of the City of Fresno, do hereby submit the following data:

A. Description of Services and Facilities. A general description and map of the proposed services and facilities are as shown in Exhibit A attached hereto and hereby made a part hereof.

B. Proposed Annexation Map No. 59 Boundaries. The proposed boundaries, shown on Annexation Map No. 59, are those properties and parcels in which special taxes may be levied to pay for the costs and expenses of the services and facilities. The proposed boundaries are described on Annexation Map No. 59, on file with the City Clerk of the City of Fresno, to which reference is hereby made.

C. Rate and Method of Apportionment of Special Taxes (RMA). The RMA for the services and facilities for Annexation Map No. 59 is set forth in Exhibit B attached hereto and hereby made a part hereof.

D. Shared Services and Facilities. There are no shared services for Final Parcel Map No. 2004-36.

By: _____ 9-27-24
Scott L. Mozier, P.E., Director — Date
Public Works Department

EXHIBIT A

City of Fresno

Community Facilities District No. 9
Formation

Description of Services currently financed by Community Facilities District No. 9

The services and operations (Services) that are to be financed by Community Facilities District No. 9 (CFD No. 9) are described below and are permitted by City of Fresno Special Tax Financing Law (Chapter 8, Division 1, Article 3 of the Fresno Municipal Code) and the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 commencing with Section 53311, of Part 1, Division 2, Title 5 of the California Government Code.)

I. Services may include <u>all</u> costs attributable to maintaining, servicing, cleaning, repairing and/or replacing all landscaping facilities (including reserves), including stamped concrete paving in medians and landscaped areas in public street rights-of-way, public trails, and, in instances where a required sound wall abuts a local City street and public landscape easements are officially dedicated for public use.

   General maintenance will include, without limitation, mowing, edging, fertilizing, seeding, aerating, and watering grass areas; repairing and replacing irrigation systems as necessary; staking, pruning, replacing and spraying of trees and shrubs; repairing and replacing paths, walkways and trails; repairing and replacing stamped concrete paving and removing litter, debris, and garbage.

II. Services may include <u>all</u> costs attributable to cleaning, maintaining, servicing, repairing and/or replacing all local ground level street infrastructures (including reserves) within local street rights-of-way. Such facilities may include, without limitation, street paving, curbs and gutters, sidewalks, street lighting, hydrants, inlets, street trees, street signage and street furniture.

Maintenance costs will also include a proportionate share of all other expenses that the City may incur in administering the CFD No. 9.

All Services shall be provided by the City of Fresno, with its own forces or by contract with third parties, or any combination thereof, to be determined entirely by the City of Fresno.

Nothing in this exhibit or any other exhibit or provision of this Resolution shall be construed as committing the City or CFD No. 9 to provide all of the authorized Services or to provide for the payment of or reimbursement for all of the authorized incidental expenses. The provision of Services and/or payment or reimbursement of incidental expenses shall be subject to the continued existence of CFD No. 9 and the availability of sufficient proceeds of special taxes within the District.

EXHIBIT A

City of Fresno

Community Facilities District No. 9
Annexation No. 59

Description of Services to be Financed by
Community Facilities District No. 9 For
(Final Parcel Map No. 2004-36)

The services and operations described below (Services) to be financed by Community Facilities District No. 9 (CFD No. 9) for Final Parcel Map No. 2004-36, Annexation No. 59 are generally as described below.

The Services that are to be financed will include all costs attributable to maintaining, servicing, cleaning, repairing and/or replacing all landscaping facilities (including reserves) in public street rights-of-way and public landscape easements officially dedicated for public use and street trees.

General maintenance will include, without limitation, mowing, edging, fertilizing, seeding, aerating, and watering grass areas; repairing and replacing irrigation systems as necessary; staking, pruning, replacing, and spraying of trees and shrubs and removing litter, debris, and garbage.

Services shall include all costs attributable to cleaning, maintaining, servicing, repairing and/or replacing all ground level infrastructure (including reserves for replacement) within the public street rights-of-way associated with Final Parcel Map No. 2004-36. Such facilities include, without limitation, street lighting associated with this subdivision.

Services shall also include all costs attributable to street lighting services.

Maintenance costs will also include a proportionate share of all other expenses that the City may incur in administering the CFD No. 9.

All Services shall be provided by the City of Fresno, with its own forces or by contract with third parties, or any combination thereof, to be determined entirely by the City of Fresno.

Nothing in this exhibit or any other exhibit or provision of this Resolution shall be construed as committing the City or CFD No. 9 to provide all of the authorized Services or to provide for the payment of or reimbursement for all of the authorized incidental expenses. The provision of Services and/or payment or reimbursement of incidental expenses shall be subject to the successful annexation of Annexation 59 to CFD No. 9 and the availability of sufficient proceeds of Special Taxes within CFD No. 9.

CITY OF FRESNO

PUBLIC WORKS DEPARTMENT

LAND PLANNING & SUBDIVISION INSPECTION SECTION

FEATURES TO BE ADDED BY ANNEXATION NO. 59

COMMUNITY FACILITIES DISTRICT NO. 9

FINAL PARCEL MAP NO. 2004-36

N

NOT TO SCALE

September 5, 2024

LANDSCAPE AND IRRIGATION:

BUFFERS/PARKWAYS/MEDIAN TURF, BEDS, TREES, & SHRUBS = 167,313 SF

LARGE TREES = 261 EACH

PALM TREES = 13 EACH

STREET LIGHTS:

TOTAL = 74 EACH

EXHIBIT B

City of Fresno

Community Facilities District No. 9
Annexation No. 59

Rate and Method of Apportionment of Special Tax

Cost Estimate

The estimate breaks down the costs of providing one year's Service for FY 2024-2025.

ITEM	DESCRIPTION	ESTIMATED COST
1	Landscape Operational Costs	$146,333.00
2	Other Operational Costs	$2,119.00
3	Reserve for Replacement	$28,907.00
4	Incidental Expenses	$1,095.00
	Total	$178,454.00

Subdivision or Development Appropriation Limit

Final Parcel Map No.	Total Maximum Special Tax for Services per Acre	Appropriation Limit	Landowner
2004-36	$2,444.58	$500,000.00	Fancher Creek Properties, LLC

EXHIBIT B

City of Fresno

Community Facilities District No. 9
Annexation No. 59

Rate and Method of Apportionment of Special Tax

A special tax applicable to each assessor's parcel in Community Facilities District No. 9 (CFD No. 9) shall be levied and collected according to the tax liability determined by the City Council of the City of Fresno, through the application of the appropriate amount or rate for taxable property, as described below. All of the property in CFD No. 9, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 9 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Assessor's Parcel" or "**Parcel"** means a lot or parcel shown on an assessor's parcel map with an assigned assessor's parcel number.

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

"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.

"Commercial or Industrial Developments or Subdivisions" means developments or subdivisions zoned for commercial or industrial uses.

"Council" means the City Council of the City of Fresno, acting as the legislative body of CFD No. 9.

"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.

"Development" means any assessor's parcel within the City of Fresno which is being developed for Industrial, Commercial, or Multi-Family purposes and requires a Building Permit.

"Excluded Parcels" means those assessor's parcels identified as ineligible for inclusion in CFD No. 9 as shown in "Attachment 1" of this Rate and Method of Apportionment of Special Tax.

"**Final Map"** means a final map, or portion thereof, approved by the Council 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. 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 for 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.

"Maximum Special Tax" means the maximum special tax, determined in accordance with Section C, which can be levied in any Fiscal Year.

"Public Property" means any property within the boundaries of CFD No. 9 that is owned by the federal government, State of California or other local governments or public agencies.

"Reserve for Replacement" means a reasonable reserve pursuant to Fresno Municipal Code 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 Development or Subdivision" means developments or subdivisions zoned for residential multi-family uses.

"Residential Unit" means a multi-family residential dwelling unit and shall include condominiums, town homes, duplex, triplex and fourplex units, and individual apartment units in a multi-family subdivision. For purposes of the levy of special taxes pursuant to Section B below, "Residential Units" shall include dwelling units already built on taxable property in CFD No. 9, as well as dwelling units planned, but not yet built, when the special tax is levied each fiscal year.

"Shared Services" means the costs of services are paid equally by the property owners of two or more subdivisions.

"Special Tax" means any special tax to be levied each fiscal year on assessor's parcels of taxable property to fund the Special Tax Requirement as defined below.

"Special Tax Requirement" means the amount necessary in any fiscal year to (i) pay authorized maintenance and improvement expenses, (ii) pay administrative expenses of CFD No. 9, and (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.

"Subdivision" means the division, by any subdivider, of any unit or units of improved or unimproved land, or any portion thereof, shown on the latest equalized county assessment 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 4125 of the Civil Code, a community apartment project, as defined in Section 4105 of the Civil Code.

"Taxable Property" means all of the assessor's parcels within the boundaries of CFD No. 9 which are not exempt from the special tax pursuant to law or Section E below.

B. CALCULATIONS

COMMERCIAL AND INDUSTRIAL DEVELOPMENTS OR SUBDIVISIONS

On or about April 1 of each fiscal year, the City of Fresno (City) or its designee shall determine how many square feet of taxable area are in each assessor's parcels within each commercial or industrial development or subdivision of CFD No. 9.

For commercial or industrial developments or subdivisions, the area to be taxed is the total area within each assessor's parcels of the subdivision or development not designated as public right-of-way and is not to exceed the Maximum Special Tax identified for the development or subdivision in Section C, Table 1 below.

RESIDENTIAL SUBDIVISIONS

On or about April 1 of each fiscal year, the City or its designee shall determine how many residential units are built, or allowed to be built, on assessor's parcels within CFD No. 9. For parcels of undeveloped property zoned for development of multi-family units, the number of residential units shall be determined by referencing the condominium plan, apartment plan, site plan or other development plan, or by assigning the maximum allowable units permitted based on the underlying zoning for the parcel. Once a multi-family building or buildings have been built on an assessor's parcel, the City or its designee shall determine the actual number of residential units contained within the building or buildings, and the special tax levied against the parcel in the next fiscal year shall be calculated by dividing the Special Tax Requirement by the actual number of residential units not to exceed the Maximum Special Tax per residential unit identified for the subdivision in Section C, Table 1 below.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax (MST) applicable to each assessor's parcel in CFD No. 9 shall be specific to each development, subdivision, subdivisions, or portion thereof within CFD No. 9. When additional property is annexed into CFD No. 9, the rate and method adopted for the annexed property shall reflect the MST for the development, subdivision, subdivisions, or respective portion thereof then annexed.

The MST applicable to each development, subdivision, subdivisions, or portion thereof in CFD No. 9 shall be the rate that is created at the time of CFD No. 9 annexation expressly for the individual development, subdivision, subdivisions, or portion thereof being annexed to CFD No. 9 at that time. Beginning in January of each year, the MST will be adjusted upward annually by 2% or by the rise of the Construction Cost Index (CCI), if it exceeds 2%, for the San Francisco Region for the prior 12-month period (December through December) 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.

Subject to the maximum limit set by the MST, the Special Tax for the commercial, industrial or multi-family development or subdivision assessor's parcels is calculated by spreading the Special Tax Requirement to the total taxable square footage of the development or subdivision and then apportioned proportionately by area to the individual assessor's parcels within the development or subdivision or by the number of residential units as applicable.

The total Maximum Special Tax for Fiscal Year 2024-2025 for Annexation No. 59 of CFD No. 9 is identified in Table 1 below:

Table 1
Maximum Special Tax
(Fiscal Year 2024-2025)

Final Parcel Map No.*	***Total Maximum Special Tax for Services per Acre***
2004-36	$2,444.58

*A Special Tax shall be levied on all assessor's parcels within an identified development or subdivision except excluded parcels as identified in Attachment 1.

D. METHOD OF LEVY AND COLLECTION OF THE SPECIAL TAX

Commencing with Fiscal Year 2024-2025, the Special Tax shall be levied on all parcels of taxable property as follows:

Step 1: Determine the Special Tax Requirement (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. 9 based on applying the Maximum

Special Tax rates determined pursuant to Section C above to each parcel of taxable property in CFD No. 9;

If the amount determined in Step 1 is greater than or equal to the amount calculated in Step 2, levy the Maximum Special Tax set forth in Table 1 above on all parcels of taxable property in CFD No. 9;

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, *on a per acre basis,* up to 100% of the Maximum Special Tax for each subdivision as identified in Table 1, until the amount of the Special Tax levy equals the Special Tax Requirement for that fiscal year.

The Special Tax for CFD No. 9 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 9 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 this Rate and Method of Apportionment of 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, and properties receiving a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code. In addition, no Special Tax shall be levied on excluded parcels or parcels that are determined not to be developable lots.

EXHIBIT B

ATTACHMENT 1

City of Fresno

Community Facilities District No. 9
Annexation 59

Excluded Parcels

THERE ARE NO EXCLUDED PARCELS WITHIN THE BOUNDARIES OF ANNEXATION NO. 59

EXHIBIT C

CITY OF FRESNO
COMMUNITY FACILITIES DISTRICT NO. 9
AND ANNEXATION NO. 59

Description of Facilities to be added by Annexation No. 59 and maintained by Community Facilities District No. 9.

The proposed facilities to be maintained shall consist of:

1. The landscaping located within Outlot 1 and along the frontages adjacent to Fancher Creek Drive and Harvey, Armstrong, Belmont, and Fowler Avenues within and adjacent to the subdivision.

2. The streetlights along Fancher Creek Drive and Harvey, Cypress, Turner, Armstrong, Belmont, Fowler, Grant, Laverne, and Washington Avenues within the subdivision.

These facilities are generally located on the attached Exhibit A (page A-3.)

Plans and specifications for the existing improvements are filed herewith and are incorporated herein by reference to the items as listed and enumerated in the documents as described below:

Landscaping and irrigation systems and street lighting are as shown on Street Light and Landscaping Construction Plans approved by the City of Fresno for Final Parcel Map No. 2004-36 on file at the City of Fresno, Public Works Department.