

RESOLUTION NO. 18-119

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, FORMING THE CITY OF CARSON COMMUNITY FACILITIES DISTRICT NO. 2018-01 (MAINTENANCE AND SERVICES) AND FUTURE VOLUNTARY ANNEXATION AREA, AUTHORIZING THE LEVY OF A SPECIAL TAX THEREIN, ESTABLISHING AN APPROPRIATIONS LIMIT, AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT

WHEREAS, the City Council of the City of Carson adopted Resolution No. 18-083 (the "Resolution of Intention"), stating its intention to form City of Carson Community Facilities District No. 2018-01 (Maintenance and Services) (the "CFD") and Future Voluntary Annexation Area (the "Future Voluntary Annexation Area") pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and Future Voluntary Annexation Area, and stating the services to be provided, and the rate and method of apportionment of the special tax to be levied within the CFD to pay for the services, is on file with the City Clerk and the provisions of the Resolution of Intention are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on November 7, 2018, the City Council held a noticed public hearing as required by the Act and the Resolution of Intention with respect to the proposed formation of the CFD and Future Voluntary Annexation Area; and

WHEREAS, at the hearing, all interested persons desiring to be heard on all matters pertaining to the formation of the CFD and Future Voluntary Annexation Area, the services to be provided therein and the levy of such special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing, evidence was presented to the City Council on such matters before it, including a special report (the "Report"), attached as Exhibit C hereto and hereby incorporated herein, prepared by the City officer who is or will be responsible for the CFD describing the services to be provided through the CFD and the costs thereof pursuant to the Resolution of Intention, a copy of which is on file with the City Clerk, and the City Council at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, no written protests have been filed with the City Clerk by 50% or more of the registered voters residing within the territory of the CFD or Future Voluntary

Annexation Area, or property owners that own one-half or more of the area of land within the CFD or Future Voluntary Annexation Area, and not exempt from the proposed special taxes.

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

1. Recitals. The City Council finds and determines that all the foregoing recitals are true and correct and incorporated herein.

2. No Majority Protest. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to Section 53324 of the Act.

3. Prior Proceedings Valid. All prior proceedings taken by the City Council in connection with the establishment of the CFD or Future Voluntary Annexation Area, and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act, including without limitation, the filing of a petition of a landowner requesting institution of proceedings to establish the CFD, adoption of the Resolution of Intention, publication and mailing of notice of public hearing on the establishment of the CFD, and conducting the public hearing on the establishment of the CFD.

4. Report. The Report, as now submitted is hereby approved and is made a part of the record of the hearing, and is kept on file with the transcript of these proceedings and open for public inspection.

5. Name of CFD. The community facilities district designated "City of Carson Community Facilities District No. 2018-01 (Maintenance and Services)" of the City is hereby established pursuant to the Act.

6. Intent of the Future Voluntary Annexation Area. The Future Voluntary Annexation Area shall be voluntary. It is the intent of the City Council to allow future qualifying projects the opportunity to voluntarily annex into the Future Voluntary Annexation Area.

7. Boundaries of CFD. The boundaries of the CFD and Future Voluntary Annexation Area, as set forth in the map of the CFD, on file with the City Clerk's office and as described in the Resolution of Intention, is heretofore recorded in the Los Angeles County Recorder's Office on September 20, 2018 in Book 194 of Maps of Assessment and Community Facilities Districts, at pages 88 and 89, as Document No. 20180967743, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD.

8. Description of Services. The type of public services proposed to be financed by the CFD and pursuant to the Act shall consist of those items shown in Exhibit A hereto and by this reference incorporated herein (the "Services").

9. Special Tax.

a. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by the City Council.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD are shown in Exhibit B attached hereto and hereby incorporated herein, and include sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay. .

10. Increased Demands. It is hereby found and determined that the Services are necessary to meet increased demands placed upon local agencies, including the City, as the result of development occurring in 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. The City Council hereby determines the rate and method of apportionment set forth in Exhibit B to be reasonable.

11. Accountability Measures. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council hereby establishes the following accountability measures pertaining to the levy by the CFD of the Special Tax above:

a. Such Special Tax shall be levied for the specific purposes set forth in Section 8 hereof.

b. The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth in Section 8 hereof.

c. The CFD shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

d. Director of Finance, or their designee, acting for and on behalf of the CFD, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

12. Responsible Official. The Director of Finance of the City, or designee thereof, 701 East Carson Street, Carson, California, telephone number (310) 830-7600, is the officer of the City who will be responsible for preparing annually a current roll of

the levy of the Special Tax obligations by assessor's parcel number and who will be responsible for estimating future levies of the Special Tax.

13. Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the CFD, and this lien shall continue in force and effect until the Special Tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the Special Tax by the City ceases.

14. Appropriations Limit. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$1,000,000 and such appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing such annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act and the Constitution.

15. Election. Pursuant to the provisions of the Act, the proposed levy of the Special Tax and the proposed establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council. The City Clerk is directed to certify and attest to this Resolution and to take any and all necessary acts to call, hold, canvass, and certify an election or elections on the levy of the Special Tax and the establishment of the appropriations limit.

16. Effective Date. This resolution shall take effect upon its adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Carson at a regular meeting held on the 7th day of November, 2018

[SIGNATURES TO CONTINUE ON FOLLOWING PAGE]

CITY OF CARSON:

Albert Robles, Mayor

ATTEST:

Donesia Gause-Aldana, MMC, City Clerk

APPROVED AS TO FORM:

Sunny K. Soltani, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CARSON)

I, Donesia Gause-Aldana, City Clerk of the City of Carson, California, hereby attest to and certify that the foregoing resolution, being Resolution No. 18-119, adopted by the City of Carson City Council at its meeting held on November 7, 2018 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Donesia Gause-Aldana, MMC, City Clerk

EXHIBIT A

CITY OF CARSON Community Facilities District No. 2018-01 (Maintenance and Services)

DESCRIPTION OF SERVICES

The services to be funded, in whole or in part, by the community facilities district (the "District") include all direct and incidental costs related to providing for the maintenance of public infrastructure within the area of the District, the future voluntary annexation area, and areas adjacent to or in the vicinity of such areas. More specifically, the services may include, but not be limited to: (i) police and related services of the City of Carson required to sustain the public safety service delivery capability for emergency and non-emergency services including related facilities, equipment, vehicles, services, supplies and personnel; (ii) maintenance and lighting of parks, parkways, streets, roads and open space; (iii) flood and storm protection services; as well as the provision of other public services authorized to be funded under Section 53313 of the California Government Code. The District may fund any of the following related to the services described in the preceding sentence: 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. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

The services to be financed by the District are in addition to those provided in the territory of the District before the date of creation of the District, 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 District include the direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County of Los Angeles related to the District or the collection of special taxes, an allocable share of the salaries of the 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 District or the services authorized to be financed by the District, 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 District.

Other:

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

EXHIBIT B

CITY OF CARSON Community Facilities District No. 2018-01 (Maintenance and Services)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied and collected in City of Carson Community Facilities District No. 2018-01 (Maintenance and Services) (the "District") each Fiscal Year, in an amount determined by the application of the procedures described below. All of the Taxable Property (as defined below) in the District, unless exempted by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

I. DEFINITIONS

The terms used herein shall have the following meanings:

"Accessory Unit" means a secondary residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a Unit of Single Family Detached Property.

"Acreage" or "Acre" means that acreage shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event that the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel shall be determined by the District Administrator based upon the applicable condominium plan, final map or parcel map. If the preceding maps for a land are not available, the Acreage of such land area may be determined utilizing available spatial data and geographic information systems (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 Act of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of the District: the costs of computing the Annual Special Tax Requirement and the annual Special Tax and of preparing the annual Special Tax collection schedules; the costs of collecting the Special Taxes, 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 Taxes; and the costs of the City or designee related to an appeal of the Special Tax. Administrative Expenses shall also include costs related to the formation of the District and of annexing territory to the District as well as any amounts advanced by the City for any administrative purposes of the District and an allocable share of the salaries of City staff and an allocable portion of City overhead costs relating to the foregoing, or costs of the City in any way related to the establishment or administration of the District.

“Annual Services Costs” means the amounts required to fund services authorized to be funded by the District.

“Annual Special Tax Requirement” means that amount with respect to the District determined by the Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs for each Tax Zone, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with the District, and (4) reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

“Assessor’s Data” means Acreage or other Parcel information contained in the records of the County Assessor.

“Assessor’s Parcel” or “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.

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

“Association Property” means any property within the boundaries of the District which is owned by a homeowners’ or property association, including any master or sub-association.

“Boundary Map” means that map recorded with the County recorder’s office on September 20, 2018 in Book 194 at Pages 88 and 89 as Document Number 20180967743.

“City” means the City of Carson, County of Los Angeles.

“Council” means the City Council of the City, acting as the legislative body of the District.

“County” means the County of Los Angeles, California.

“Developed Property” means, in any Fiscal Year, all Taxable Property in the District for which a building permit for new construction was issued by the City prior to June 1 of the preceding Fiscal Year.

“District” means the City of Carson Community Facilities District No. 2018-01 (Maintenance and Services), and, when applicable, any annexed Assessor’s Parcels.

“District Administrator” means an official of the City, or designee or agent or consultant, responsible for administering the Special Tax in accordance with this Rate and Method of Apportionment.

“Exempt Property” means all property located within the boundaries of the District which is exempt from the Special Tax pursuant to Section V below.

“Expected Special Tax Revenue” means the amount of revenue anticipated to be collected in each Tax Zone, adjusted annually by the Tax Escalation Factor.

“Finance Director” means the official of the City who is the chief financial officer or other comparable officer of the City or designee thereof.

“Fiscal Year” means the period from July 1st of any calendar year through June 30th of the following calendar year.

“Future Voluntary Annexation Area” means the area designated for future voluntary annexation to the District as shown in the District Boundary Map, as may be amended from time to time.

“Maximum Special Tax Rate” means the maximum Special Tax authorized for levy in any Fiscal Year that may apply to Taxable Property as described in Section III.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit has been issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel Number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Non-Residential Property” means all Developed Property that is not used for people to live in, and does not include Public Property.

“Proportionately” means, in any Fiscal Year, that the ratio of the actual Special Tax to the Maximum Special Tax Rate is equal for all Assessor’s Parcels authorized to be levied in that Fiscal Year within each respective Tax Zone.

“Public Property” means any property within the boundaries of the District owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public or private road right-of-way making the property unusable for any other purpose has been granted to the federal government, the State of California, the County, the City, or any local government or other public agency.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel Numbers assigned to them (except for

a duplex triplex, or fourplex unit, which may share a Parcel with another duplex, triplex or fourplex Unit(s)), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium project contained in Civil Code Section 4125.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another 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.

“Tax Escalation Factor” means a factor that will be applied annually after Fiscal Year 2018/19 to increase the Maximum Special Tax Rates shown in Section III and as specified for each Tax Zone.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. ***All of the Taxable Property within the District at the time of its formation is within Tax Zone No. 1 as specified on the District Boundary Map.*** Additional Tax Zones may be created when property is annexed to the District, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone when such Parcels are annexed to the District shall be identified by Assessor’s Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation, or any proceeding for annexation to the District.

“Taxable Property” means all Parcels within the boundary of the District that are not Exempt Property, exempt from the Special Tax pursuant to the Act or Section V below.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels of Taxable Property annexed into the District that constitutes the property owners approval and unanimous vote in favor of annexing into the District and the levy of Special Tax against his/her Parcel or Parcels pursuant to this Rate and Method of Apportionment of Special Tax.

“Undeveloped Property” means all Parcels of Taxable Property that are not Developed Property.

“Unit” means an individual single family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure. An Accessory Unit that shares a Parcel with a Unit of Single Family Detached Property shall not be considered a separate Unit for purposes of calculating the Special Tax.

II. DETERMINATION OF TAXABLE PARCELS

On or about July 1 of each Fiscal Year, the District Administrator shall determine the valid Assessor's Parcel Numbers for all Taxable Property within the District. If any Assessor's Parcel Numbers are no longer valid from the previous Fiscal Year, the District Administrator shall determine the new Assessor's Parcel Number or Numbers that are in effect for the current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated or otherwise reconfigured, the Special Tax rates shall be assigned to the new Assessor's Parcels pursuant to Section III. The District Administrator shall also determine: (i) the Tax Zone within which each Parcel is located; (ii) which Parcels are Developed Property; (iii) the Acreage or number of Units each Parcel contains; and (iv) the Annual Special Tax Requirement for the Fiscal Year.

III. ANNUAL SPECIAL TAX - METHOD OF APPORTIONMENT

All Taxable Property shall be subject to a Special Tax defined as follows.

The Special Tax shall be levied each Fiscal Year by the District Administrator. The Annual Special Tax Requirement shall be apportioned to each Parcel of Taxable Property within the District 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 Maximum Special Tax Rate described in Table 1 below to satisfy the Annual Special Tax Requirement.

**TABLE 1
SPECIAL TAX RATES – TAX ZONE NO. 1
FISCAL YEAR 2018/19***

Property Type	Maximum Special Tax Rate	Per	Expected Special Tax Revenue
Non-Residential Property	\$1,971.51	Acre	\$9,189.21

**On each July 1, commencing on July 1, 2019, the Maximum Special Tax Rate for each Tax Zone shall be increased by the percentage change in the November annualized Consumer Price Index for Los Angeles-Long Beach-Anaheim for all Urban Consumers, the Tax Escalation Factor for Tax Zone No. 1.*

Should the total revenue for Tax Zone No. 1 not be fully realized when all Parcels in Tax Zone No. 1 are classified as Developed Property, the Special Tax rate per Acre shall be adjusted so that the Special Tax per Acre is sufficient to generate the total Expected Special Tax Revenue for Tax Zone No. 1, adjusted annually by the Tax Escalation Factor. The Maximum Special Tax Rate shall be the greater of the Maximum Special Tax Rate shown in Table 1, adjusted annually by the Tax Escalation Factor or the Special Tax Rate calculated to generate the total Expected Special Tax Revenue for

Tax Zone No. 1, adjusted annually by the Tax Escalation Factor.

If a building permit has been issued after June 1 of the preceding Fiscal Year, the City may directly bill to meet the Annual Special Tax Requirement, as prorated based on the date the building permit is issued and the end of the Fiscal Year.

A different Maximum Special Tax Rate may be identified in Tax Zones added to the District as a result of future annexations.

IV. FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The Special Tax may not be prepaid.

V. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on (i) Public Property, (ii) Association Property, (iii) 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 (iv) except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

VI. INTERPRETATION 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 by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

VII. 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 the District, and may collect delinquent Special Taxes through foreclosure or other available methods.

A Special Tax shall continue to be levied and collected within the District, as needed to fund the Annual Special Tax Requirement, in perpetuity.

VIII. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the District 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 Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes 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 Taxes are in

error. The District Administrator shall review the appeal, meet with the appellant if the District Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the District 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 District Administrator or subsequent decision by the City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes.

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.

EXHIBIT C

CFD Report

[see attached]

CITY OF CARSON

COMMUNITY FACILITIES DISTRICT REPORT

**COMMUNITY FACILITIES DISTRICT NO. 2018-01
(MAINTENANCE AND SERVICES)**

Dated: NOVEMBER 7, 2018

**CITY OF CARSON
COMMUNITY FACILITIES DISTRICT NO. 2018-01
(MAINTENANCE AND SERVICES)**

INTRODUCTION

The City Council (the "Council") of the City of Carson (the "City"), State of California pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), on September 18, 2018, adopted Resolution No. 18-083 entitled "A Resolution of Intention the City Council of the City of Carson to Establish the City of Carson Community Facilities District No. 2018-01 (Maintenance and Services) and Future Annexation Area, and to Authorize the Levy of a Special Tax Therein" (the "Resolution of Intention"), stating its intention to form the City of Carson Community Facilities District No. 2018-01 (Maintenance and Services) (the "CFD"). In the Resolution of Intention, the Council ordered the preparation of a written Community Facilities District Report (the "Report"), for the CFD.

The Resolution of Intention described certain public services (the "Services") to be financed by the CFD and directed that the Report be prepared:

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Council.

NOW, THEREFORE, I, the City's Community Development Director hereby submit the following data:

- A. DESCRIPTION OF SERVICES.** A general description of the proposed Services is as shown in Exhibit "A" attached hereto and hereby made a part hereof.
- B. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT AND FUTURE ANNEXATION AREA.** The proposed boundaries of the CFD and future annexation area are those properties and parcels in which special taxes may be levied to pay for the costs and expenses of the Services. The proposed boundaries of the CFD are described on the map of the CFD which is set forth in Exhibit "B" attached hereto and hereby made a part hereof.
- C. COST ESTIMATE.** The cost estimate for the Services for the CFD is set forth in Exhibit "C" attached hereto and hereby made a part hereof.
- D. RATE AND METHOD OF APPORTIONMENT.** The Rate and Method of Apportionment of the CFD is set forth in Exhibit "D" attached hereto and hereby made a part hereof.

Dated as of _____

By: _____
Kenneth C. Farfsing
City Manager
City of Carson

EXHIBIT A

CITY OF CARSON COMMUNITY FACILITIES DISTRICT NO. 2018-01 (MAINTENANCE AND SERVICES)

DESCRIPTION OF SERVICES

Services:

The services to be funded, in whole or in part, by the community facilities district (the "District") include all direct and incidental costs related to providing for the maintenance of public infrastructure within the area of the District, the future voluntary annexation area, and areas adjacent to or in the vicinity of such areas. More specifically, the services may include, but not be limited to: (i) police and related services of the City of Carson required to sustain the public safety service delivery capability for emergency and non-emergency services including related facilities, equipment, vehicles, services, supplies and personnel; (ii) maintenance and lighting of parks, parkways, streets, roads and open space; (iii) flood and storm protection services; as well as the provision of other public services authorized to be funded under Section 53313 of the California Government Code. The District may fund any of the following related to the services described in the preceding sentence: 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. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

The services to be financed by the District are in addition to those provided in the territory of the District before the date of creation of the District, 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 District include the direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County of Los Angeles related to the District or the collection of special taxes, an allocable share of the salaries of the 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 District or the services authorized to be financed by the District, 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 District.

Other:

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

EXHIBIT B

**CITY OF CARSON
COMMUNITY FACILITIES DISTRICT NO. 2018-01
(MAINTENANCE AND SERVICES)**

PROPOSED BOUNDARIES OF THE CFD

The Boundary Map of the CFD is shown on the following page.

CITY OF CARSON
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

E ALBERTONI ST

TAX ZONE NO. 1

7339-002-003

S MAIN ST

CFD Boundary

Surrounding Parcels



Source: Los Angeles County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California V FIPS 0405 Feet

Sheet 1 of 2

COPY of Document Recorded



is not been compared with original.
Original will be returned when
processing has been completed.
LOS ANGELES COUNTY REGISTRAR - RECORDER

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF CARSON THIS 19th DAY OF Sept. 2018

CITY CLERK

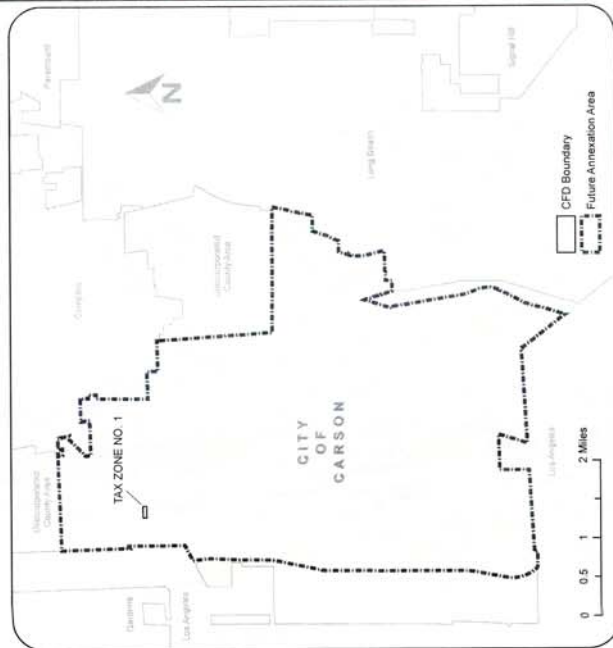
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE CITY OF CARSON COMMUNITY FACILITIES DISTRICT NO. 2018-01 (MAINTENANCE AND SERVICES), COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF CARSON AT A MEETING THEREOF, HELD ON THE 15TH DAY OF SEP, 2018 BY ITS RESOLUTION NO. 18-685

CONYLER

FILED THIS _____ DAY OF _____, 20____, 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
CLERK, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

COUNTY RECORDER,
COUNTY OF LOS ANGELES

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



**MAP OF PROPOSED BOUNDARIES OF
THE CITY OF CARSON
COMMUNITY FACILITIES DISTRICT NO. 2018-01
(MAINTENANCE AND SERVICES)**

CITY OF CARSON
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

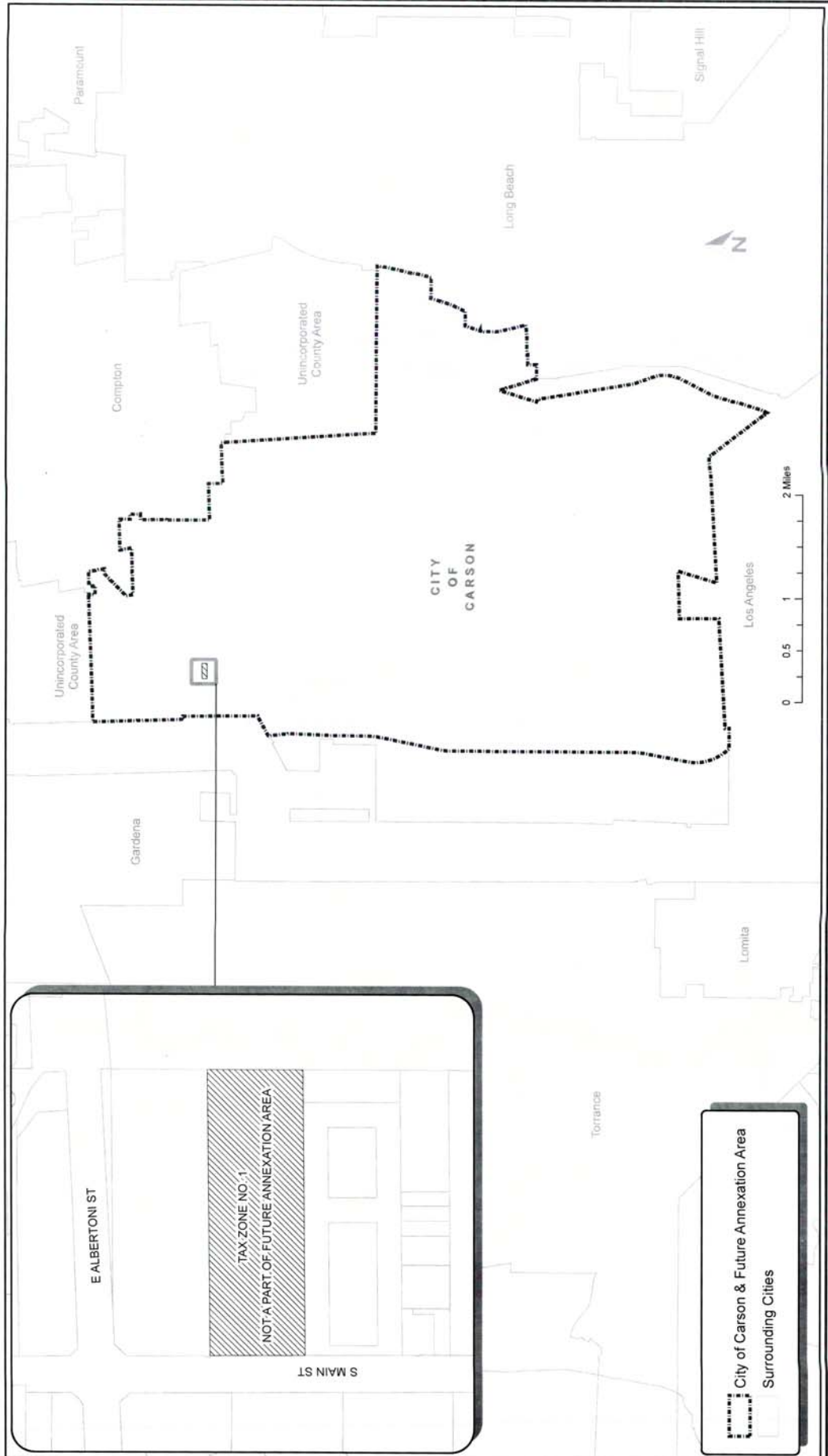


EXHIBIT C

**CITY OF CARSON
COMMUNITY FACILITIES DISTRICT NO. 2018-01
(MAINTENANCE AND SERVICES)**

COST ESTIMATE

The estimated costs of Services for CFD Tax Zone No. 1 is shown below:

Description	2018/19 Costs
Landscape Maintenance Costs	
Main Street - Center Median Landscaping	\$1,286.25
Main Street - New Tree Wells @ 25' Intervals	371.00
Main Street - Existing Trees in Median	689.00
Street Sweeping, Sidewalk Cleaning and Maintenance Costs	
Main Street - Curb Line Sweeping	\$93.53
Main Street - Sidewalk Sweeping	406.10
Sheriff Service Costs	
Sherriff Service	\$4,878.93
Street Maintenance Costs	
Main Street - Crack, Seal, Slurry and Overlay	\$1,464.40
Administration Costs	\$0.00
TOTAL OPERATIONS AND MAINTENANCE COSTS	\$9,189.21

EXHIBIT D

**CITY OF CARSON
COMMUNITY FACILITIES DISTRICT NO. 2018-01
(MAINTENANCE AND SERVICES)**

RATE AND METHOD OF APPORTIONMENT

The Rate and Method of Apportionment of Special Tax is shown on the following pages.

**CITY OF CARSON
COMMUNITY FACILITIES DISTRICT NO. 2018-01
(MAINTENANCE AND SERVICES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied and collected in City of Carson Community Facilities District No. 2018-01 (Maintenance and Services) (the "District") each Fiscal Year, in an amount determined by the application of the procedures described below. All of the Taxable Property (as defined below) in the District, unless exempted by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

I. DEFINITIONS

The terms used herein shall have the following meanings:

"Accessory Unit" means a secondary residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a Unit of Single Family Detached Property.

"Acreage" or "Acre" means that acreage shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event that the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel shall be determined by the District Administrator based upon the applicable condominium plan, final map or parcel map. If the preceding maps for a land are not available, the Acreage of such land area may be determined utilizing available spatial data and geographic information systems (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 Act of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of the District: the costs of computing the Annual Special Tax Requirement and the annual Special Tax and of preparing the annual Special Tax collection schedules; the costs of collecting the Special Taxes, 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 Taxes; and the costs of the City or designee related to an appeal of the Special Tax. Administrative Expenses shall also include costs related to the formation of the District and of annexing territory to the District as well as any amounts advanced by the City for any administrative purposes of the District and an allocable share of the salaries of City staff and an allocable portion of City overhead costs relating to the foregoing, or costs of the City in any way related to the establishment or administration of the District.

"Annual Services Costs" means the amounts required to fund services authorized to be funded by the District.

"Annual Special Tax Requirement" means that amount with respect to the District determined by the Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs for each Tax Zone, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with the District, and (4) reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

“Assessor’s Data” means Acreage or other Parcel information contained in the records of the County Assessor.

“Assessor’s Parcel” or “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.

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

“Association Property” means any property within the boundaries of the District which is owned by a homeowners’ or property association, including any master or sub-association.

“Boundary Map” means that map recorded with the County recorder’s office on September 20, 2018 in Book 194 at Pages 88 & 89 as Document Number 20180967743.

“City” means the City of Carson, County of Los Angeles.

“Council” means the City Council of the City, acting as the legislative body of the District.

“County” means the County of Los Angeles, California.

“Developed Property” means, in any Fiscal Year, all Taxable Property in the District for which a building permit for new construction was issued by the City prior to June 1 of the preceding Fiscal Year.

“District” means the City of Carson Community Facilities District No. 2018-01 (Maintenance and Services), and, when applicable, any annexed Assessor’s Parcels.

“District Administrator” means an official of the City, or designee or agent or consultant, responsible for administering the Special Tax in accordance with this Rate and Method of Apportionment.

“Exempt Property” means all property located within the boundaries of the District which is exempt from the Special Tax pursuant to Section V below.

“Expected Special Tax Revenue” means the amount of revenue anticipated to be collected in each Tax Zone, adjusted annually by the Tax Escalation Factor.

“Finance Director” means the official of the City who is the chief financial officer or other comparable officer of the City or designee thereof.

“Fiscal Year” means the period from July 1st of any calendar year through June 30th of the following calendar year.

“Future Voluntary Annexation Area” means the area designated for future voluntary annexation to the District as shown in the District Boundary Map, as may be amended from time to time.

“Maximum Special Tax Rate” means the maximum Special Tax authorized for levy in any Fiscal Year that may apply to Taxable Property as described in Section III.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit has been issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel Number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Non-Residential Property” means all Developed Property that is not used for people to live in, and does not include Public Property.

“Proportionately” means, in any Fiscal Year, that the ratio of the actual Special Tax to the Maximum Special Tax Rate is equal for all Assessor’s Parcels authorized to be levied in that Fiscal Year within each respective Tax Zone.

“Public Property” means any property within the boundaries of the District owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public or private road right-of-way making the property unusable for any other purpose has been granted to the federal government, the State of California, the County, the City, or any local government or other public agency.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel Numbers assigned to them (except for a duplex triplex, or fourplex unit, which may share a Parcel with another duplex, triplex or fourplex Unit(s)), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium project contained in Civil Code Section 4125.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another 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.

“Tax Escalation Factor” means a factor that will be applied annually after Fiscal Year 2018/19 to increase the Maximum Special Tax Rates shown in Section III and as specified for each Tax Zone.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. ***All of the Taxable Property within the District at the time of its formation is within Tax Zone No. 1 as specified on the District Boundary Map.*** Additional Tax Zones may be created when property is annexed to the District, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone when such Parcels are annexed to the District shall be identified by Assessor’s Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation, or any proceeding for annexation to the District.

“Taxable Property” means all Parcels within the boundary of the District that are not Exempt Property, exempt from the Special Tax pursuant to the Act or Section V below.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels of Taxable Property annexed into the District that constitutes the property owners approval and unanimous vote in favor of annexing into the District and the levy of Special Tax against his/her Parcel or Parcels pursuant to this Rate and Method of Apportionment of Special Tax.

“Undeveloped Property” means all Parcels of Taxable Property that are not Developed Property.

“Unit” means an individual single family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure. An Accessory Unit that shares a Parcel with a Unit of Single Family Detached Property shall not be considered a separate Unit for purposes of calculating the Special Tax.

II. DETERMINATION OF TAXABLE PARCELS

On or about July 1 of each Fiscal Year, the District Administrator shall determine the valid Assessor’s Parcel Numbers for all Taxable Property within the District. If any Assessor’s Parcel Numbers are no longer valid from the previous Fiscal Year, the District Administrator shall determine the new Assessor’s Parcel Number or Numbers that are in effect for the current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated or otherwise reconfigured, the Special Tax rates shall be assigned to the new Assessor’s Parcels pursuant to Section III. The District Administrator shall also determine: (i) the Tax Zone within which each Parcel is located; (ii) which Parcels are Developed Property; (iii) the Acreage or number of Units each Parcel contains; and (iv) the Annual Special Tax Requirement for the Fiscal Year.

III. ANNUAL SPECIAL TAX - METHOD OF APPORTIONMENT

All Taxable Property shall be subject to a Special Tax defined as follows.

The Special Tax shall be levied each Fiscal Year by the District Administrator. The Annual Special Tax Requirement shall be apportioned to each Parcel of Taxable Property within the District 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 Maximum Special Tax Rate described in Table 1 below to satisfy the Annual Special Tax Requirement.

TABLE 1
SPECIAL TAX RATES – TAX ZONE NO. 1
FISCAL YEAR 2018/19*

Property Type	Maximum Special Tax Rate	Per	Expected Special Tax Revenue
Non-Residential Property	\$1,971.51	Acre	\$9,189.21

**On each July 1, commencing on July 1, 2019, the Maximum Special Tax Rate for each Tax Zone shall be increased by the percentage change in the November annualized Consumer Price Index for Los Angeles-Long Beach-Anaheim for all Urban Consumers, the Tax Escalation Factor for Tax Zone No. 1.*

Should the total revenue for Tax Zone No. 1 not be fully realized when all Parcels in Tax Zone No. 1 are classified as Developed Property, the Special Tax rate per Acre shall be adjusted so that the Special Tax per Acre is sufficient to generate the total Expected Special Tax Revenue for Tax Zone No. 1, adjusted annually by the Tax Escalation Factor. The Maximum Special Tax Rate shall be the greater of the Maximum Special Tax Rate shown in Table 1, adjusted annually by the Tax Escalation Factor or the Special Tax Rate calculated to generate the total Expected Special Tax Revenue for Tax Zone No. 1, adjusted annually by the Tax Escalation Factor.

If a building permit has been issued after June 1 of the preceding Fiscal Year, the City may directly bill to meet the Annual Special Tax Requirement, as prorated based on the date the building permit is issued and the end of the Fiscal Year.

A different Maximum Special Tax Rate may be identified in Tax Zones added to the District as a result of future annexations.

IV. FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The Special Tax may not be prepaid.

V. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on (i) Public Property, (ii) Association Property, (iii) 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 (iv) except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

VI. INTERPRETATION 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 by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

VII. 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 the District, and may collect delinquent Special Taxes through foreclosure or other available methods.

A Special Tax shall continue to be levied and collected within the District, as needed to fund the Annual Special Tax Requirement, in perpetuity.

VIII. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the District 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 Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes 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 Taxes are in error. The District Administrator shall review the appeal, meet with the appellant if the District Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the District 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 District Administrator or subsequent decision by the City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes.

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.