

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2015-1 OF THE CITY OF LAKE ELSINORE (SAFETY SERVICES), DECLARING ITS INTENTION TO CONSIDER ANNEXING TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2015-1 OF THE CITY OF LAKE ELSINORE (SAFETY SERVICES)

Whereas, on March 8, 2016, the City Council (the "City Council") of the City of Lake Elsinore adopted Resolution No. 2016-022 (the "Resolution of Intention"), declaring its intention to establish Community Facilities District No. 2015-1 of the City of Lake Elsinore (Safety Services) ("Community Facilities District No. 2015-1" or the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and,

Whereas, after a duly noticed public hearing, the City Council adopted Resolution No. 2016-035 (the "Resolution of Formation") establishing Community Facilities District No. 2015-1 and calling a special election therein to authorize (i) the levy of special taxes pursuant to the rate and method of apportionment of the special tax, as set forth in Attachment "A" attached to the Resolution of Intention (the "Original Rate and Method"), and (ii) the establishment of an appropriations limit for Community Facilities District No. 2015-1; and,

Whereas, the City Council has received a signed petition from The Donald S. Clurman Separate Property Trust, Three Strands Properties, LLC a California limited liability company and Spectrum Communities, LLC, a California limited liability company (together, the "Owner"), requesting (i) the annexation of the territory within the boundaries set forth in Attachment "A," hereto (the "Annexation Territory") to the District; (ii) the levy of the special tax within the Annexation Territory in accordance with the Rate and Method of Apportionment of Special Tax attached as Attachment "B," hereto (the "Rate and Method"), which Rate and Method is identical to the Original Rate and Method in all respects except that Appendix A thereto has been updated in accordance with the terms of the Original Rate and Method to reflect the annexation described herein and (iii) the waiving certain election requirements; and,

Whereas, the Annexation Territory is currently located within City of Lake Elsinore Community Facilities District No. 2003-1 (Law Enforcement, Fire and Paramedic Services) ("CFD No. 2003-1") and the Owner and the District desire to cancel the special tax lien of CFD No. 2003-1 on the Annexation Territory upon its annexation to the District.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, ACTING HAS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2015-1 (SAFETY SERVICES) OF THE CITY OF LAKE ELSINORE, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Each of the above recitals is true and correct.

Section 2. The City Council declares its intention to conduct proceedings pursuant to the Act for the annexation to the District of the Annexation Territory.

Section 3. The map showing the original boundaries of the District designated as "Map of Proposed Boundaries of Community Facilities District No. 2015-1 of the City of Lake Elsinore (Safety Services)," which map is on file in the office of the City Clerk and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the City of County Book of

Maps of Assessment and Community Facilities Districts in the Assessor-County Clerk-Recorder's office of the County of Riverside in Book No. 79 Page No. 45-46, on March 14, 2016 as Instrument No. 2016-00978338.

The boundaries of the Annexation Territory proposed to be annexed to the District and be made subject to taxation are as shown on the annexation map set forth in Attachment "A" hereto (the "Boundary Map"). The City Clerk is hereby directed to sign the Boundary Map and record it with all proper endorsements thereon with the County Recorder of the County of Riverside within 15 days after the adoption of this resolution, all as required by Section 3111 of the Streets and Highways Code of the State of California.

Section 4. The Services (as defined in the Rate and Method) proposed to be provided for the benefit of the Annexation Territory are public services as defined in the Act, and this City Council finds and determines that the Services to be financed, upon annexation to the District and the cancellation of the special tax lien of CFD 2003-1, will be in addition to those provided in the territory the Annexation Territory, and do not supplant services already available within the Annexation Territory. The City Council hereby finds and determines that the description of the Services herein is sufficiently informative to allow taxpayers within the Annexation Territory, to understand what the funds of the District may be used to finance. The Administrative Expenses (as defined in the Rate and Method) expected to be incurred within the Annexation Territory are set forth in the Rate and Method. The amount and term of the special tax to be levied by the District within the Annexation Territory and the Services to be provided by the District within the Annexation Territory shall be identical to those within the original boundaries of the District.

Section 5. Except where funds are otherwise available, it is the intention of the City Council to levy annually in accordance with the procedures contained in the Act a separate special tax, secured by recordation of a continuing lien against all nonexempt real property in the Annexation Territory, sufficient to pay for the Services and the Administrative Expenses. The rate and method of apportionment and manner of collection of the special taxes set forth in Attachment "A" allows each landowner within the Annexation Territory to estimate the maximum amount that may be levied against each parcel.

The special taxes for Services may be increased based on the consumer price index by an amount not to exceed four percent (4%) per year to the extent permitted in the Rate and Method. The special tax for Services may be levied for such period as the Services are needed, as further described in Attachment "B" hereto.

The special taxes are based on the expected demand that each parcel of real property within the Annexation Territory will place on the Services. The City Council hereby determines that the proposed Services are necessary to meet the increased demand placed upon the City and the existing police, fire, rescue and paramedic services in the City as a result of the development of the land proposed for annexation to the District. The City Council hereby determines the rate and method of apportionment of the special taxes set forth in Attachment "B" to be reasonable. The special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such special taxes are not on or based upon the value or ownership of real property.

Section 6. A public hearing (the "Hearing") on the annexation of the Annexation Territory to the District, the levy of the special tax within the Annexation Territory in accordance with the Rate and Method to finance the Services shall be held at 7:00 p.m., or as soon thereafter as practicable, on June 23, 2020, at the City Cultural Center, 183 North Main Street, Lake Elsinore,

California. Should the City Council determine to annex the Annexation Territory to the District, a special election will be held to authorize the levy of the special taxes in accordance with the procedures contained in Government Code Section 53326. If held, the proposed voting procedure at the election will be a landowner vote with each landowner who is the owner of record of land within the Annexation Territory at the close of the Hearing, or the authorized representative thereof, having one vote for each acre or portion thereof owned within the Annexation Territory. Ballots for the special election may be distributed by mail or by personal service.

Section 7. The City Council does not intend to make any adjustment in property taxation pursuant to Sections 53313.6 and 53313.7 of the Act.

Section 8. 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 Annexation Territory, may appear and be heard.

Section 9. The City Clerk is hereby directed to publish a notice (the "Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the Annexation Territory. The City Clerk is further directed to mail a copy of the Notice to each landowner within the Annexation Territory at least 15 days prior to the Hearing. The Notice shall contain the text or a summary of this Resolution, 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 district and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

Section 10. The Assistant City Manager is hereby directed to cause the recordation of a notice of cancellation and cessation of special tax levy of CFD No. 2003-1 on the Annexation Territory contingent upon the annexation of the Annexation Territory to the District and the authorization by the eligible voters thereof of the Special Tax for Services within the Annexation Territory.

Section 11. This Resolution shall be effective upon its adoption.

Passed and Adopted on this 12th day of May, 2020.

Brian Tisdale, Mayor

Attest:

Candace Alvarez, MMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, Candace Alvarez, MMC, City Clerk of the City of Lake Elsinore, California, do hereby certify that Resolution No. 2020-_____ was adopted by the City Council of the City of Lake Elsinore, California, at the Regular meeting of May 12, 2020 and that the same was adopted by the following vote:

AYES:

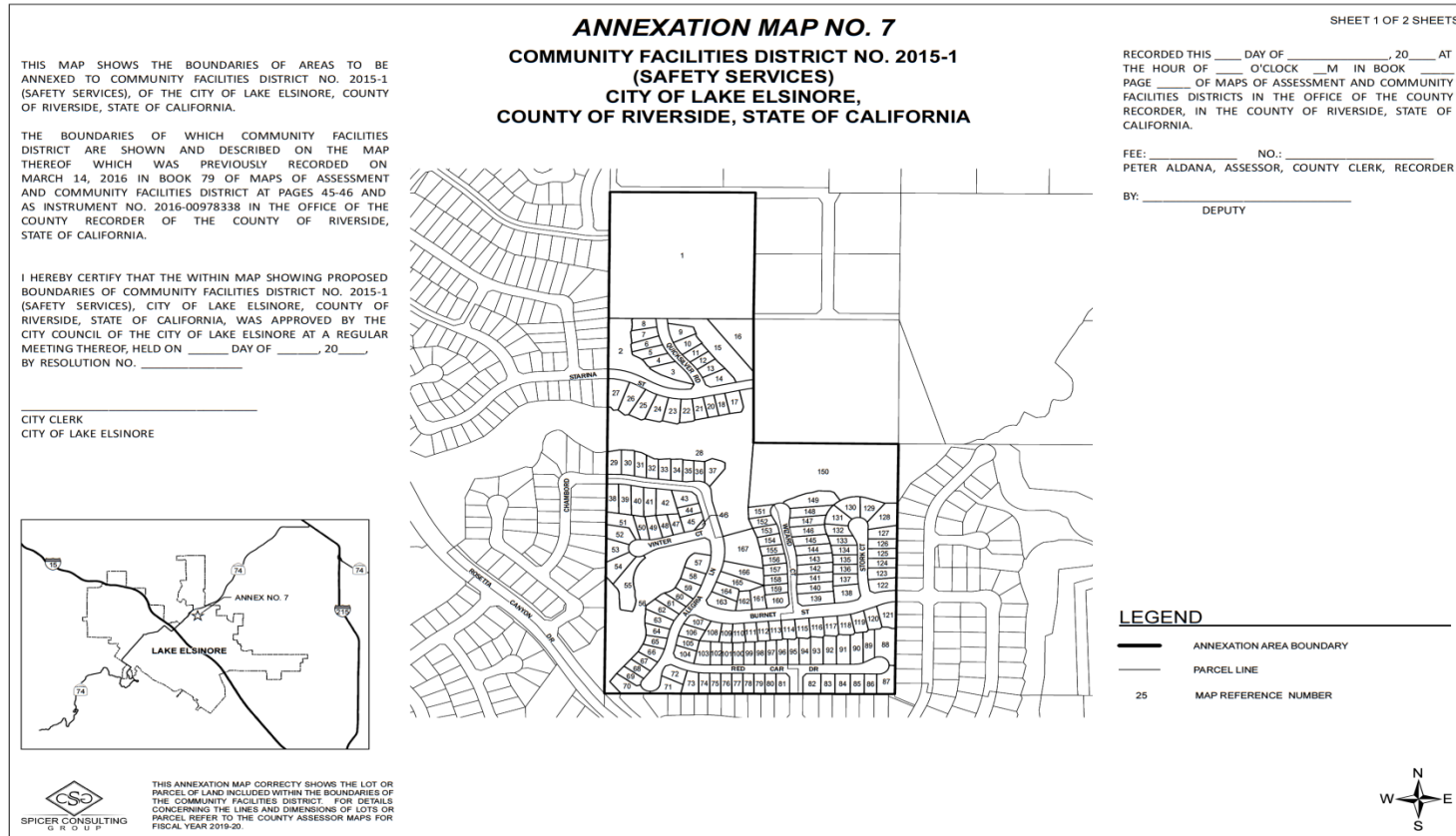
NOES:

ABSENT:

ABSTAIN:

Candace Alvarez, MMC
City Clerk

ATTACHMENT "A" BOUNDARY MAP OF ANNEXATION TERRITORY



ANNEXATION MAP NO. 7
COMMUNITY FACILITIES DISTRICT NO. 2015-1
(SAFETY SERVICES)
CITY OF LAKE ELSINORE,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

SHEET 2 OF 2 SHEETS

REFERENCE NO.	APN	REFERENCE NO.	APN	REFERENCE NO.	APN	REFERENCE NO.	APN
1	347-110-021	49	347-560-022	96	347-561-001	143	347-571-022
2	347-580-007	50	347-560-023	97	347-561-002	144	347-571-023
3	347-580-001	51	347-560-024	98	347-561-003	145	347-571-024
4	347-580-002	52	347-560-025	99	347-561-004	146	347-571-025
5	347-580-003	53	347-560-026	100	347-561-005	147	347-571-026
6	347-580-004	54	347-560-027	101	347-561-006	148	347-571-027
7	347-580-005	55	347-560-028	102	347-561-007	149	347-571-028
8	347-580-006	56	347-560-044	103	347-561-008	150	347-571-029
9	347-581-001	57	347-560-029	104	347-561-009	151	347-562-001
10	347-581-002	58	347-560-030	105	347-561-010	152	347-562-002
11	347-581-003	59	347-560-031	106	347-561-011	153	347-562-003
12	347-581-004	60	347-560-032	107	347-561-012	154	347-562-004
13	347-581-005	61	347-560-033	108	347-561-013	155	347-562-005
14	347-581-006	62	347-560-034	109	347-561-014	156	347-562-006
15	347-581-007	63	347-560-035	110	347-561-015	157	347-562-007
16	347-581-008	64	347-560-036	111	347-561-016	158	347-562-008
17	347-582-001	65	347-560-037	112	347-561-017	159	347-562-009
18	347-582-002	66	347-560-038	113	347-561-018	160	347-562-010
20	347-582-003	67	347-560-039	114	347-570-015	161	347-562-011
21	347-582-004	68	347-560-040	115	347-570-016	162	347-562-012
22	347-582-005	69	347-560-041	116	347-570-017	163	347-562-013
23	347-582-006	70	347-560-042	117	347-570-018	164	347-562-014
24	347-582-007	71	347-560-001	118	347-570-019	165	347-562-015
25	347-582-008	72	347-560-002	119	347-570-020	166	347-562-016
26	347-582-009	73	347-560-003	120	347-570-021	167	347-562-017
27	347-582-010	74	347-560-004	121	347-570-022		
28	347-582-023	75	347-560-005	122	347-571-001		
29	347-582-019	76	347-560-006	123	347-571-002		
30	347-582-016	77	347-560-007	124	347-571-003		
31	347-582-017	78	347-560-008	125	347-571-004		
32	347-582-016	79	347-560-009	126	347-571-005		
33	347-582-015	80	347-560-010	127	347-571-006		
34	347-582-014	81	347-560-011	128	347-571-007		
35	347-582-013	82	347-570-001	129	347-571-008		
36	347-582-012	83	347-570-002	130	347-571-009		
37	347-582-021	84	347-570-003	131	347-571-010		
38	347-560-012	85	347-570-004	132	347-571-011		
39	347-560-013	86	347-570-005	133	347-571-012		
40	347-560-014	87	347-570-006	134	347-571-013		
41	347-560-015	88	347-570-007	135	347-571-014		
42	347-560-016	89	347-570-008	136	347-571-015		
43	347-560-017	90	347-570-009	137	347-571-016		
44	347-560-018	91	347-570-010	138	347-571-017		
45	347-560-019	92	347-570-011	139	347-571-018		
46	347-560-043	93	347-570-012	140	347-571-019		
47	347-560-020	94	347-570-013	141	347-571-020		
48	347-560-021	95	347-570-014	142	347-571-021		

ATTACHMENT "B"

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
COMMUNITY FACILITIES DISTRICT NO. 2015-1 (SAFETY SERVICES)
OF THE CITY OF LAKE ELSINORE**

A Special Tax (the "Special Tax") shall be levied on and collected from each Assessor's Parcel (defined below) in Community Facilities District No. 2015-1 (Safety Services) (the "CFD No. 2015-1" or "CFD"; defined below), in each Fiscal Year, (defined below), commencing in the Fiscal Year beginning July 1, 2016, in an amount determined by the City Council of the City of Lake Elsinore, acting in its capacity as the legislative body of CFD No. 2015-1, by applying the rate and method of apportionment set forth below. All of the real property in CFD No. 2015-1, unless exempted by law or by the provisions herein, shall be taxed to the extent and in the manner provided herein.

A. DEFINITIONS

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the formation, annexation, and administration of CFD No. 2015-1 including, but not limited to: 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 to the City, CFD No. 2015-1, or any designee thereof associated with fulfilling the CFD No. 2015-1 reporting requirements; the costs associated with responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2015-1 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 CFD No. 2015-1 for any other administrative purposes of CFD No. 2015-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means the City Manager of the City of Lake Elsinore, or his or her designee.

"Assessor's Parcel" means a lot or parcel of land that is identifiable by an Assessor's Parcel Number by the County Assessor of the County of Riverside.

"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 the identification number assigned to a parcel by the County Assessor of the County of Riverside.

"CFD" or **"CFD No. 2015-1"** means the City of Lake Elsinore Community Facilities District No. 2015-1 (Safety Services).

"City" means the City of Lake Elsinore.

"County" means the County of Riverside.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which a building permit for new construction has been issued on or prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied.

“Developed Multi-Family Property” means all Assessor’s Parcels of Developed Property for which a building permit or use permit for the construction of a residential structure with two or more Residential Units that share a single Assessor’s Parcel Number, as determined by the Administrator, has been issued prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied.

“Developed Single Family Property” means any residential property other than a Developed Multi-Family Property on an Assessor’s Parcel for which a building permit for new construction has been issued by the City on or prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied.

“Exempt Property” means all Assessors’ Parcels designated as being exempt from the Special Tax as provided for in Section E.

“Fiscal Year” means the period from and including July 1st of any year to and including the following June 30th.

“Maximum Special Tax” means the Maximum Special Tax, as applicable, levied within the CFD for any Fiscal Year.

“Future Annexation Area” means any area included inside the boundaries of the proposed boundary map included in Appendix C.

“Proportionately” means for Taxable Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is the same for all Assessor’s Parcels.

“Residential Unit” or **“RU”** means a residential unit that is used or intended to be used as a domicile by one or more persons, as determined by the Administrator.

“Residential Property” means all Assessor’s Parcels of Taxable Property upon which completed Residential Units have been constructed or for which building permits have been or may be issued for purposes of constructing one or more Residential Units.

“Services” means services permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation, those services authorized to be funded by CFD No. 2015-1 as set forth in Appendix B.

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

“Special Tax Requirement” means the amount to be collected in any Fiscal Year to pay for certain costs as required to meet the public safety needs of CFD No. 2015-1 in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the direct costs for (i) police protection services, (ii) fire protection and suppression services, (iii) paramedic services, (iv) fund an operating reserve for the costs of Services as determined by the Administrator, and (v) Administrative Expenses. Under no circumstances shall the Special Tax Requirement include funds for bonds.

"Taxable Property" means all Assessor's Parcels within CFD No. 2015-1, which are not Exempt Property.

"Taxable Unit" means a Residential Unit.

B. RATE AND METHOD OF APPORTIONMENT OF MAXIMUM SPECIAL TAX RATES

As of July 1 of each Fiscal Year, commencing July 1, 2016, the Council shall determine the Special Tax Requirement and shall levy the Special Tax upon each of the Assessor's Parcels within the CFD which constitute a Developed Single Family Property or a Developed Multi-Family Property until the aggregate amount of Special Tax equals the Special Tax Requirement. The Special Tax shall be levied Proportionately on all Assessor's Parcels of Developed Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

The Maximum Special Tax for Fiscal Year 2016-2017 for a Developed Single Family Property and a Developed Multi-Family Property are shown below in Table 1.

TABLE 1
MAXIMUM SPECIAL TAX RATES
FISCAL YEAR 2016-2017

Description	Taxable Unit	Maximum Special Tax
Developed Single Family Property	RU	\$685
Developed Multi-Family Property	RU	\$419

Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2017 the Maximum Special Tax for Developed Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by four percent (4.0%), whichever is greater.

No Special Tax shall be levied on property which, at the time of adoption of the Resolution of Formation for CFD No. 2015-1 is an Exempt Property.

C. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2015-1 from time to time. Pursuant to California Government Code section 53339 et seq., the rate and method adopted for the annexed property shall reflect the Maximum Special Tax rate at the then current year's Maximum Special Tax rate as set forth in Appendix A.

D. TERM OF SPECIAL TAX

For each Fiscal Year, the Maximum Special Taxes shall be levied as long as the Services are being provided within the boundaries of CFD No. 2015-1.

E. EXEMPTIONS

The City shall classify as Exempt Property within CFD No. 2015-1, any Assessor's Parcel in any of the following categories; (i) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by any public entity; (ii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; (iii) Assessor's Parcels which are privately owned but are encumbered by or restricted solely for public uses; (iv) any Assessor's Parcel which is in use in the performance of a public function as determined by the Administrator; or (v) any Assessor's Parcel which is not a Developed Single Family Property or a Developed Multi-Family Property.

F. APPEALS

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

G. MANNER OF COLLECTION

The Maximum Special Taxes levied in each Fiscal Year shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes. However, the District may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

The Maximum Special Taxes when levied shall be secured by the lien imposed pursuant to Section 3115.5 of the Streets and Highways Code. This lien shall be a continuing lien and shall secure each levy of Maximum Special Taxes. The lien of Maximum Special Taxes shall continue in force and effect until the Special Tax ceases to be levied in the manner provided by Section 53330.5 of the Government Code.

APPENDIX A

CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2015-1 (SAFETY SERVICES)

ANNEXATION SUMMARY

Safety Services - It is estimated that the cost of providing police, fire protection, and paramedic services being funded by the Special Tax for the Community Facilities District No. 2015-1 (Safety Services) will be as follows for the Fiscal Year 2016-2017:

- \$685 per residential unit for Developed Single Family Residential Property
- \$419 per residential unit for Developed Multi-Family Residential Property

Annual Escalation - On each July 1, commencing on July 1, 2017 the Maximum Special Tax for Developed Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by four percent (4.0%), whichever is greater.

Annex. #	Fiscal Year	Tract	Development Name	No. of Taxable Units	Land Use Category	Maximum Special Tax at Annex.	Subdivider
Original	2016-17	36557	Terracina	452	Developed Single Family Property	\$685	Terracina Investors, LLC & C/O Spectrum Communities
Original	2016-17	36682	Senterra	74	Developed Single Family Property	\$685	Pardee Homes
1	2016-17	33486	Makenna Court	81	Developed Single Family Property	\$685	SAM-McKenna
2	2016-17	28214 -6, -7, -8	Skypointe at Alberhill Ranch	82	Developed Single Family Property	\$685	KB Homes
3	2018-19	31957	Running Deer	96	Developed Single Family Property	\$741	SAM-Running Deer
4	2018-19	37381 & 37382	Wasson Canyon II	272	Developed Single Family Property	\$741	Ava Karras
5	2019-20	33267	Westlake	163	Developed Single Family Property	\$771	Pardee Homes
6	2019-20	37305	Nichols Ranch	168	Developed Single Family Property	\$771	Nichols RD Partners, LLC
7	2020-21	30698 & 32129	Rosetta Hills	178	Developed Single Family Property	\$801	Three Strands Properties & Spectrum Communities

APPENDIX B

CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2015-1 (SAFETY SERVICES)

DESCRIPTION OF AUTHORIZED SERVICES

The services which may be funded with proceeds of the special tax of CFD No. 2015-1, as provided by Section 53313 of the Act, will include some or all of the costs attributable to public safety.

These services include police protection services (including but not limited to criminal justice services), fire protection and suppression services, and paramedic services.

In addition to payment of the cost and expense of the forgoing services, proceeds of the special tax may be expended to pay "Administrative Expenses" as said term is defined in the Rate and Method of Apportionment and to establish an operating reserve for the costs of services as determined by the Administrator.

The above services shall be limited to those provided within the boundaries of CFD No. 2015-1 and the Future Annexation Area of CFD No. 2015-1 or for the benefit of the properties within the boundaries of CFD No. 2015-1 and the Future Annexation Area of CFD No. 2015-1, as the boundary is expanded from time to time by anticipated annexations, and said services may be financed by proceeds of the special tax of CFD No. 2015-1 only to the extent that they are in addition to those provided in the territory of CFD No. 2015-1 before CFD No. 2015-1 was created.

APPENDIX C

CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2015-1 (SAFETY SERVICES) PROPOSED BOUNDARIES AND BOUNDARIES - FUTURE ANNEXATION AREA

