



CITY COUNCIL STAFF REPORT

DATE: March 15, 2017 NEW BUSINESS

SUBJECT: INITIATION OF ANNEXATION NO. 16 TO COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SAFETY SERVICES)

FROM: David H. Ready, City Manager

BY: Assistant City Manager / City Engineer

SUMMARY

The City Council previously established Community Facilities District 2005-1 (Public Safety Services) (CFD 2005-1) in September 2005, to levy a special tax on properties identified as "fee status" (non-Indian Allottee Leased or non-Tribal Trust properties) located within the City, to provide a financing mechanism to sustain the delivery of public safety services to new residential developments located on those properties. This action declares the City Council's intention to annex additional properties identified as Annexation No. 16 (for Tract Map No. 31848 – "Miralon"); the action also schedules a Public Hearing for April 19, 2017, to officially annex these additional properties into CFD 2005-1.

RECOMMENDATION:

Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DECLARING ITS INTENTION TO ANNEX TERRITORY INTO A COMMUNITY FACILITIES DISTRICT AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES FOR CITY OF PALM SPRINGS COMMUNITY FACILITIES DISTRICT NO. 2005-1, (PUBLIC SAFETY SERVICES), ANNEXATION NO. 16, MIRALON, TRACT MAP NO. 31848".

STAFF ANALYSIS:

The City Council created Community Facilities District 2005-1 (Public Safety Services) (CFD 2005-1) to allow the City to levy a special tax on certain properties identified as "fee status" (non-Indian Allottee Leased or Tribal Trust properties) located within the City, to provide a financing mechanism to sustain the delivery of public safety services to new residential developments located on those properties. This type of financing program, which is authorized under the Mello-Roos Community Facilities Act of 1982, envisioned the participation of all future new residential development projects on "fee status" lands, either by formation of new districts or as an annexation into CFD 2005-1.

ITEM NO. 5.D.

As new residential developments on “fee status” lands have been approved by the City, they are conditionally approved with a requirement to annex into CFD 2005-1. CFD 2005-1 was specifically established separately from the City’s other District, Community Facilities District 2007-1 (Public Safety Services) (CFD 2007-1), for developments located on Indian Allottee Leased or Tribal Trust lands that cannot be annexed into the existing CFD 2005-1 due to their unique ownership status.

At this time, one residential development approved on “fee status” land is recommended for annexation into CFD 2005-1:

- Annexation No. 16 – Tract Map No. 31848, identified as “Miralon,” a residential development consisting of 752 single family residences and 398 multi-family residences.

The location map with a 500’ buffer for the development is shown in Figure 1.

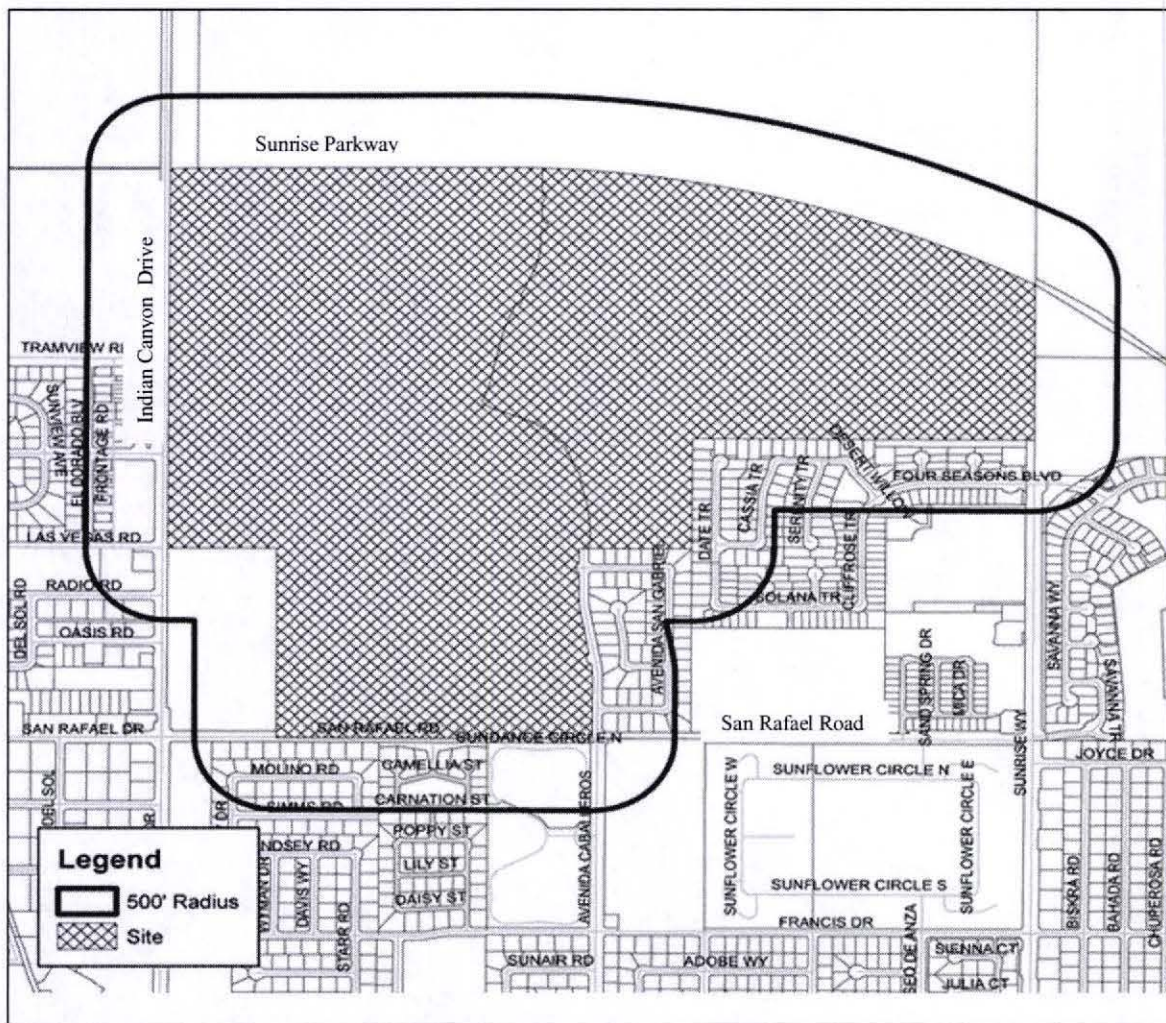


Figure 1 – Location Map

In order to commence the annexation process, the City Council is required to adopt a Resolution of Intention for the annexation. This Resolution sets forth terms and conditions for annexing properties into CFD 2005-1 and includes the rate and method of apportionment of the special tax to be levied. This Resolution also schedules a Public Hearing on the proposed annexation, which by statute must be held within 30-60 days following the adoption of this Resolution. In accordance with this requirement, staff recommends that the Public Hearing be scheduled for April 19, 2017. Pursuant to the Mello-Roos Community Facilities Act of 1982, there are less than 12 registered voters in each of the properties to be annexed into CFD 2005-1; therefore, the special election will be a landowner vote within the annexation.

Prior to the public hearing, property owners within the annexation will return a petition with waivers to the City, waiving certain timing and noticing requirements related to Election Code, which will enable the City to expedite the annexation process by conducting the special election during the April 19, 2017, Public Hearing. Included with the Resolution of Intention, the City Council also establishes the boundaries of the territory to be annexed into CFD 2005-1.

The special tax that is currently being assessed on properties within CFD 2005-1 is based upon a Fiscal Impact Analysis that was prepared by MuniFinancial. Based on this analysis, the Fiscal Year 2016/17 special tax for a single-family residence is \$418.42 per year, and will increase by the annual escalation factor until it reaches the maximum of \$500. The Fiscal Year 2016/17 special tax for a multi-family residence is \$352.67, and cannot exceed the maximum of \$500. The special tax is collected as part of the Riverside County annual property tax bill.

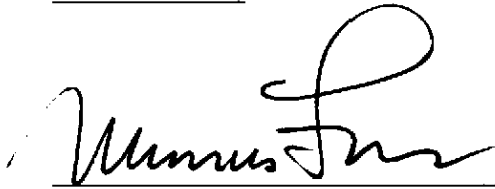
ENVIRONMENTAL IMPACT:

The requested City Council action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The requested action is to authorize annexation of certain properties into CFD 2005-1, and is exempt from CEQA pursuant to Section 15378(b), in that a "Project" does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

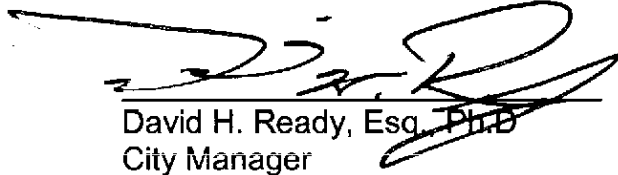
FISCAL IMPACT:

Following annexation of the residential development into CFD 2005-1, after construction of the units (issuance of building permits), the special tax to be levied within the development will generate an additional \$455,015 annually, based on the Fiscal Year 2016/17 rates, to be used specifically for public safety services.

SUBMITTED:



Marcus L. Fuller, MPA, PE, PLS
Assistant City Manager/City Engineer



David H. Ready, Esq., Ph.D.
City Manager

Attachment:

1. Resolution

ATTACHMENT 1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DECLARING ITS INTENTION TO ANNEX TERRITORY INTO A COMMUNITY FACILITIES DISTRICT AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES FOR CITY OF PALM SPRINGS COMMUNITY FACILITIES DISTRICT NO. 2005-1, (PUBLIC SAFETY SERVICES), ANNEXATION NO. 16, MIRALON, TRACT MAP NO. 31848.

WHEREAS, under the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the "Act"), the City Council of the City of Palm Springs (the "City") previously conducted proceedings to establish the City of Palm Springs Community Facilities District No. 2005-1 (Public Safety Services) (the "District"); and

WHEREAS, under the Act, this City Council is the legislative body for the proposed annexation of territory to the District and is empowered with the authority to annex territory to the District and levy special taxes within the annexation territory; and

WHEREAS, this City Council now desires to commence proceedings to consider the annexation of territory to the District.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, HEREBY RESOLVES, DETERMINES AND APPROVES AS FOLLOWS:

Section 1. The City Council proposes to begin the proceedings necessary to annex territory to the District pursuant to the Act.

Section 2. The name of the existing District is City of Palm Springs, Community Facilities District No. 2005-1 (Public Safety Services).

Section 3. A general description of the territory included in the existing District is shown on the amended boundary map recorded in the office of the County Recorder for the County of Riverside on November 1, 2005, in Book 64 at Pages 71-77 of Maps of Assessments and Community Facilities Districts, to which map reference is hereby made.

Section 4. The territory now proposed to be annexed to the District is shown on Annexation Map No. 16 of the District on file with the City Clerk, a copy of which is attached hereto as Exhibit A, which Exhibit is, by this reference, incorporated herein. The boundaries of which territory are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, said Annexation Map No. 16 of the District in the office

of the County Recorder of the County of Riverside within fifteen days of the date of adoption of this Resolution. The Tract Map for the territory proposed to be annexed, are attached in Exhibit B.

Section 5. The types of services to be funded by the District and pursuant to the Act consist of those services (the "Services") described in Resolution No. 21402 entitled "A Resolution of the City Council of the City of Palm Springs, California, Declaring its Intention to Establish Community Facilities District No. 2005-1 (Public Safety Services) and to Authorize the Levy of Special Tax Therein to Finance Certain Services" adopted by the City Council on September 7, 2005, (the "Resolution of Intention"), which Resolution of Intention is, by this reference, incorporated herein. It is presently intended that the Services will relate to the existing territory in the District and the territory proposed to be annexed to the District.

Section 6. Except to the extent that funds are otherwise available to the District to pay for the Services, a special tax sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the District (including the property being annexed thereto), will be levied annually within the District and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this City Council shall determine, including direct billing of the affected property owners. The rate and method of apportionment of the special tax among the parcels of real property within the District, as now in existence and following the annexation proposed herein, in sufficient detail to allow each landowner within the territory proposed to be annexed to the District to estimate the maximum amount such owner will have to pay, is attached in Exhibit C.

Section 7. The special tax proposed to be levied for Services to be supplied within the proposed territory to be annexed will be equal to the special taxes levied to pay for the same Services in the District, except that a higher or lower special tax may be levied within the proposed territory to be annexed to the extent that the actual cost of providing the Services in that territory is higher or lower than the cost of providing those Services in the District. Notwithstanding the foregoing, the special tax may not be levied at a rate which is higher than the maximum special tax authorized to be levied pursuant to the rate and method of apportionment of the special tax.

Section 8. Notice is given that on Wednesday, April 19, 2017, at 6:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this City Council in the Council Chambers, at 3200 East Tahquitz Canyon Way, Palm Springs, California, 92262, and the same are hereby appointed and fixed as the time and place when and where this City Council, as legislative body for the District, will conduct a public hearing on the annexation of territory to the District and consider and finally determine whether the public interest, convenience, and necessity require said annexation of territory to the District and the levy of said special tax therein.

Section 9. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper published in the area of the District.

The publication of said notice shall be completed at least seven days before the date herein set for said hearing. The notice shall be substantially in the form of Exhibit D hereto.

Section 10. This Resolution shall take effect upon its adoption.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL
THIS 15th DAY OF MARCH, 2017.

DAVID H. READY, CITY MANAGER

ATTEST:

KATHLEEN D. HART, INTERIM CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, KATHLEEN D. HART, Interim City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy as was duly adopted at a regular meeting of the City Council of the City of Palm Springs on March 15, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

KATHLEEN D. HART, INTERIM CITY CLERK
City of Palm Springs, California

EXHIBIT A

CITY OF PALM SPRINGS
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SAFETY SERVICES)
ANNEXATION NO. 16
MIRALON, TRACT MAP NO. 31848

PROPOSED BOUNDARIES OF THE ANNEXATION TERRITORY

**ANNEXATION MAP NO. 16 OF
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SAFETY SERVICES)**

CITY OF PALM SPRINGS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

Sheet 1 of 1

MADE IN THE OFFICE OF THE CITY CLERK OF THE CITY OF PALM SPRINGS THIS ____ DAY OF _____, 2011.

CITY CLERK
CITY OF PALM SPRINGS
RIVERSIDE COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 16 TO COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SAFETY SERVICES), CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF PALM SPRINGS AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2011, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF PALM SPRINGS
RIVERSIDE COUNTY, CALIFORNIA

MADE THIS ____ DAY OF _____, 2011, AT THE HOUR OF ____ O'CLOCK ____ M IN THE BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(s) _____ IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE _____

INSTRUMENT NO. _____

EVIDENTY
COUNTY RECORDER
COUNTY OF RIVERSIDE, CALIFORNIA

FOR PARTIAL AREAS OF THE LINES AND DIMENSIONS OF ADJACENT PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ADJACENT COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

REFERENCE IS MADE TO THAT AMENDED BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SAFETY SERVICES) OF THE CITY OF PALM SPRINGS RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON NOVEMBER 1, 2005, AS BOOK 486 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE(S) 1-17, AS INSTRUMENT NO. 2005-00016M.



Source: County of Riverside GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California V1 FIPS 5406 Feet

Prepared by N43517
NBS



EXHIBIT B

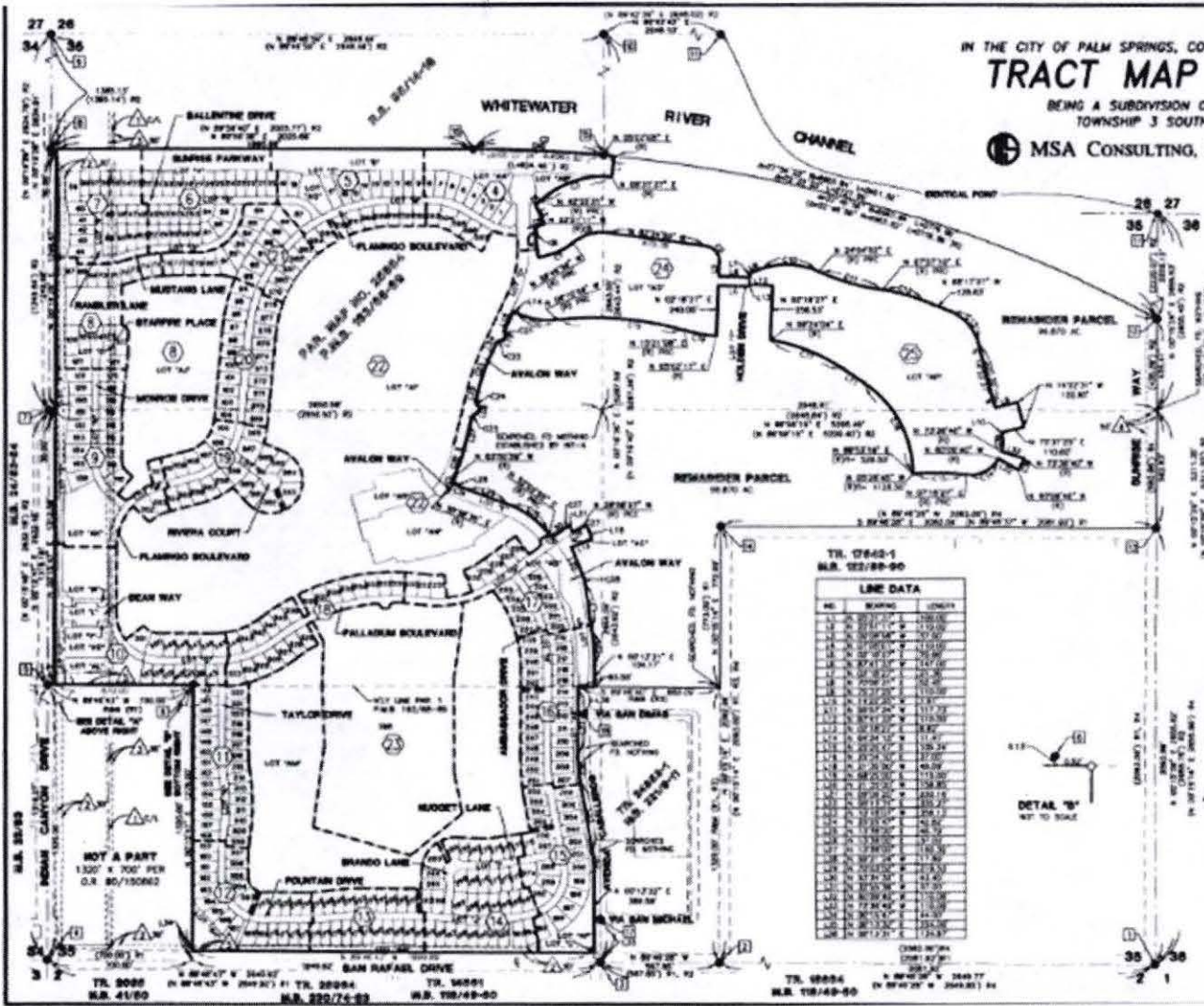
CITY OF PALM SPRINGS
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SAFETY SERVICES)
ANNEXATION NO. 16
MIRALON, TRACT MAP NO. 31848

TRACT MAP OF THE PROPOSED ANNEXATION TERRITORY

IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
TRACT MAP NO. 31848-1
 BEING A SUBDIVISION OF A PORTION OF SECTION 35,
 TOWNSHIP 3 SOUTH, RANGE 4 EAST, S.B.M.

MSA CONSULTING, INC.

FEBRUARY - 2006



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SEE SHEET 2 FOR ENGINEER'S NOTES,
 ALIGNMENT NOTES, EASEMENT NOTES
 AND VICINITY MAP
 SEE SHEETS 4 THROUGH 25 FOR
 DETAILED LOT DIMENSIONS

① INDICATES SHEET NUMBER



EXHIBIT C

**CITY OF PALM SPRINGS
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SAFETY SERVICES)**

RATE AND METHOD OF APPORTIONMENT

**CITY OF PALM SPRINGS
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SAFETY SERVICES)
RATE AND METHOD OF APPORTIONMENT**

A Special Tax of Community Facilities District No. 2005-1 (Public Safety Services) of the City of Palm Springs (the "District") shall be levied on all Assessor's Parcels in the District and collected each Fiscal Year commencing in Fiscal Year 2006-07 in an amount determined by the City through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre of Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended, which authorizes the establishment of the District to finance: a) police protection services, and b) fire protection and suppression services, and life safety services including but not limited to ambulance and paramedic services.

"Administrative Expenses" means the actual or estimated costs incurred by the City as administrator of the District to determine, levy and collect the Special Taxes, including the proportionate amount of the salaries and benefits of City employees whose duties are directly related to administration of the District and the fees of consultants, legal counsel, the costs of collecting installments of the Special Taxes upon the general tax rolls, preparation of required reports; and any other costs required to administer the District as determined by the City.

"Annual Escalation Factor" means the greater of the increase in the annual percentage change of the All Urban Consumers Consumer Price Index (CPI) or the percent increase of salaries and benefits for public safety employees as stated in the Memorandum of Understanding for the fiscal year of the Special Tax. The annual CPI used shall be for the area of Los Angeles-Riverside-Orange County, CA as reflected in the then-current April update. The annual CPI used shall be as determined by the United States Department of Labor, Bureau of Labor Statistics, and may be obtained through the California Division of Labor Statistics and Research (www.dir.ca.gov/dlsr). If the foregoing index is not available, the District Administrator shall select a reasonably comparable index.

"Assessor's 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.

“Base Year” means Fiscal Year ending June 30, 2007.

“BIA” means the Bureau of Indian Affairs within the Department of the Interior and any tribe acting on behalf of the BIA

“City” means the City of Palm Springs.

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

“County” means the County of Riverside, California.

“Developed Multi-Family Residence” means an Assessor’s Parcel of Developed Property for which a building permit has been issued for purposes of constructing a residential structure consisting of more than one residential Dwelling Unit which share common walls, including, but not limited to, duplexes, triplexes, town homes, condominiums, and apartment units.

“Developed Property” means all Taxable Property, exclusive of Property Owner Association Property, Non-Residential Property, or Public Property, for which a building permit was issued after January 1, 2006 and prior to May 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Developed Single-Family Residence” means an Assessor’s Parcel of Developed Property for which a building permit(s) has been issued for purposes of constructing one single-family residential Dwelling Unit.

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

“District” means Community Facilities District No. 2005-1 (Public Safety Services) of the City of Palm Springs.

“Dwelling Unit” means any separate residential unit in which a person or persons may live, which includes provisions for sleeping, cooking and sanitation, and is not considered to be for commercial or industrial use.

“Entitled Property” means an Assessor’s Parcel and/or Lot in the District, which has a Final Map recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, but for which no building permit has been issued prior to the May 1st preceding the Fiscal Year in which the Special Tax is being levied. The term “Entitled Property” shall apply only to Assessors’ Parcels and/or Lots, which have been subdivided for the purpose of residential development, excluding any Assessor’s Parcel that is designated as a remainder parcel determined by final documents and/or maps available to the District Administrator.

“Final Map” means an Assessor’s Parcel Map, a final subdivision map, other parcel map, other final map, other condominium plan, or functionally equivalent map that has been recorded in the Office of the County Recorder.

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

“Land Use Class” means any of the classes listed in Table 1.

“Lot” means property within a recorded Final Map identified by a lot number for which a building permit has been issued or may be issued.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C below that can be levied in the District in any Fiscal Year on any Assessor’s Parcel.

“Non-Residential Property” means all Assessors’ Parcels for which a building permit(s) has been issued for a non-residential used and does not contain any residential units as defined under Developed Single Family Residence or Developed Multi-Family Residence.

“Property Owner Association Property” means any property within the boundaries of the District that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to a property owner association, including any master or sub-association.

“Proportionately” means in a manner such that the ration of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Class.

“Public Property” means any property within the boundaries of the District that is, at the time of the District formation or at the time of an annexation, expected to be used for rights-of-way, parks, schools or any other public purpose and is owned by or irrevocably offered for dedication to the federal government, the State, the County, the City or any other public agency.

“Public Safety Service Costs” means the estimated and reasonable costs of providing police services and fire protection and suppression services and life safety services, including but not limited to (i) the costs of contracting services, (ii) equipment, vehicles, ambulances, and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of City staff that directly provide police services and fire protection and suppression services and life safety services, respectively, and (iv) City overhead costs associated with providing such services within the District. On each July 1 following the Base Year the increases attributed to salaries and benefits shall be calculated and limited to the increase based on the Annual Escalation Factor. The Special Tax provides only partial funding for police, fire and life safety services.

“Special Tax” means the Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections C and D, below.

“Special Tax Requirement” means that amount required in any Fiscal Year for the District to: (i) pay for Public Safety Service Costs; (ii) pay reasonable Administrative Expenses; (iii) pay any amounts required to establish or replenish any reserve funds; and (iv) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less any surplus of funds available from the previous Fiscal Year’s Special Tax levy.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the District and any future annexation to the District that are not exempt from the Special Tax pursuant to law or as defined herein.

“Tax-Exempt Property” means an Assessor’s Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, (iii) Non-Residential Property, and (iv) property designated by the City or District Administrator as Tax-Exempt Property.

“Undeveloped Property” means, for each Fiscal year, all Assessor’s Parcels of Taxable Property not classified as Developed Property or Entitled Property, including an Assessor’s Parcel that is designated as a remainder parcel and is not identified as potential Public Property by any final documents and/or maps available to the District Administrator.

“Unit” means any separate residential dwelling unit in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year using the definitions above, all property within the District shall be classified as either Developed Property or Tax-Exempt Property. Developed Property shall be further classified as Developed Single-Family Residence or Developed Multi-Family Residence. Commencing with the Base Year and for each subsequent Fiscal Year, all Developed Property shall be subject to Special Taxes pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

**TABLE 1
Maximum Special Tax for Developed Property
Community Facilities District No. 2005-1
(Public Safety Services)**

Land Use Class	Description	Maximum Special Tax
1	Developed Single-Family Residence	\$350 per Dwelling Unit
2	Developed Multi-Family Residence	\$295 per Dwelling Unit

On each July 1 following the Base Year (i.e., July 1, 2007), the Maximum Special Tax Rates in Table 1 shall be increased in accordance with the Annual Escalation Factor. Once the Maximum Special Tax per Dwelling Unit is equal to \$500 per Dwelling Unit, no further Annual Escalation Factor shall be applied and the Maximum Special Tax per Dwelling Unit shall not exceed \$500.

2. Entitled Property

**Table 2
Maximum Special Tax for Entitled Property
Community Facilities District No. 2005-1
(Public Safety Services)**

Land Use Class	Description	Maximum Special Tax Per Lot
3	Entitled Property	\$100 per Lot

No Annual Escalation Factor shall be applied to the Maximum Special Tax per Lot for Entitled Property.

3. Undeveloped Property

Undeveloped Property will be assigned a Maximum Special Tax Rate of \$500 per Acre or portion thereof, with a minimum rate of \$100 for Undeveloped Property less than or equal to one-fourth (1/4) of an Acre as described in Table 3.

**Table 3
Maximum Special Tax for Undeveloped Property
Community Facilities District No. 2005-1
(Public Safety Services)**

Land Use Class	Description	Maximum Special Tax Per Parcel/Acre
4	Undeveloped Property less than or equal to ¼ Acre	\$100 per Assessor's Parcel
5	Undeveloped Property > ¼ Acre	\$500 per Acre

No Annual Escalation Factor shall be applied to the Maximum Special Tax per Parcel/Acre for Undeveloped Property.

4. Tax-Exempt Property

No Special Tax shall be levied on Tax-Exempt Property.

5. Multiple Land Use Classes

In some instances an Assessor's Parcel may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax levies that can be imposed on all Land Use Classes located on that Assessor's Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2006-07, and for each subsequent Fiscal Year, the District Administrator shall calculate the Special Tax Requirement based on the definitions in Section A and levy the Special Tax as follows until the amount of the Special Tax levied equals the Special Tax Requirement. First, the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Developed Property Proportionately between Developed Single-Family Residence and Developed Multi-Family Residence up to 100% of the applicable Maximum Special Tax. Second, if the Special Tax Requirement has not been satisfied by the first step, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Entitled Property up to 100% of the applicable Maximum Special Tax for Entitled Property. Lastly, if the first two steps have not satisfied the Special Tax Requirement, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax for Undeveloped Property.

E. APPEALS

Any tax payer that believes that the amount of the Special Tax assigned to an Assessor's Parcel is in error may file a written notice with the District Administrator appealing the levy of the Special Tax. This notice is required to be filed with the District Administrator during the Fiscal Year the error is believed to have occurred. The District Administrator or designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the District Administrator verifies that the tax should be changed the Special Tax Levy shall be corrected and, if applicable in any case, a refund shall be granted.

F. EXEMPTIONS

1. Residential Property

Residential Properties which annually meet one or more of the following standards shall be exempt from payment of the Special Tax:

- a. A Residential Property consisting of one or two person(s) earning \$15,300 or less gross income per year, upon complying with procedures to establish such exemption, or
- b. A Residential Property consisting of three persons earning \$17,900 or less gross income per year, upon complying with procedures to establish such exemption, or

- c. A Residential Property which qualifies for either the Low Income Rate Assistance (LIRA) exemption for electrical or gas services or the Lifeline exemption for telephone services.

The City is authorized and directed to promulgate administrative rules and procedures for verification of eligibility for the exemptions referred to in section F.

G. MANNER OF COLLECTION

Special Tax as levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the District Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the District or as otherwise determined appropriate by the District Administrator.

H. TERM OF SPECIAL TAX

Every Five years after the establishment of the District, the City Council may reexamine, if deemed necessary by City Council, the necessity of the continuance of the Special Tax through the preparation of a Fiscal Impact Analysis, otherwise the Special Tax shall be levied in perpetuity.

EXHIBIT D

CITY OF PALM SPRINGS
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SAFETY SERVICES)
ANNEXATION NO. 16
MIRALON, TRACT MAP NO. 31848
NOTICE OF PUBLIC HEARING

Notice is hereby given that the City Council of the City of Palm Springs will conduct a public hearing on Wednesday, April 19, 2017 at 6:00 p.m. or as soon thereafter as the matter may be heard, in the City Council Chambers located at 3200 East Tahquitz Canyon Way, Palm Springs, California, 92262, to consider the following:

CITY OF PALM SPRINGS
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SAFETY SERVICES)
ANNEXATION NO. 16
MIRALON, TRACT MAP NO. 31848

On March 15, 2017, the City Council, as the legislative body for the District, adopted a resolution entitled "A Resolution of the City Council of the City of Palm Springs, California, Declaring its Intention to Annex Territory into a Community Facilities District and to Authorize the Levy of Special Taxes for City of Palm Springs Community Facilities District No. 2005-1 (Public Safety Services)" (the "Resolution of Intention"). Pursuant to the Resolution of Intention, the City Council determined that the public convenience and necessity require that certain territory, as more particularly described in the Resolution of Intention, be annexed to the existing District, all as provided in the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code) (the "Act"). Reference is hereby made to the Resolution of Intention, on file with the City Clerk of the City for further particulars. The following is a summary of the provisions of the Resolution of Intention.

In the Resolution of Intention, the City Council declared its intention to annex territory into Community Facilities District No. 2005-1 (Public Safety Services) (the "District"). The area proposed to be annexed to the District is as shown on Annexation Map No. 16, on file with the City Clerk, and identified in Exhibit A of the Resolution of Intention. The District shall fund police services, fire protection and suppression services, and life safety services. It is presently intended that the services will be provided, without preference or priority, to the existing territory in the District and the territory proposed to be annexed to the District. The Resolution of Intention provides that the special taxes heretofore caused to be levied in the District shall be levied in the territory proposed to be annexed, subject to public hearing and owner consent proceedings as specified in the Act.

At the public hearing the testimony of all interested persons for and against the annexation of said territory to the District or the levying of special taxes within the territory proposed to be annexed will be heard. Any person interested may file a protest in writing with the City Clerk.

/s/ _____ Kathleen D. Hart
Interim City Clerk
City of Palm Springs