

NOTICE OF HEARING ON RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JACINTO DECLARING INTENTION TO ANNEX TERRITORY TO SAN JACINTO COMMUNITY FACILITIES DISTRICT NO. 2020-1 (ANNEXATION NO. 5 TO CFD 2020-1 (TAX ZONE NO. 6))

NOTICE IS HEREBY GIVEN that on May 17, 2022, the City Council of the City of San Jacinto ("City Council") adopted Resolution No. 3913, declaring the intention of the City Council to annex territory to San Jacinto Community Facilities District No. 2020-1, County of Riverside, State of California (the "District"), and fixing the time and place of a public hearing thereon for 6:30 p.m., or as soon thereafter as the matter may be heard, on June 21, 2022. The public hearing will be conducted at the Council Chambers, 625 South Pico, San Jacinto, California. The virtual location will be identified on the agenda. During the public hearing, the City Council will hear the testimony of all interested persons for or against the annexation of said territory to the District or the levying of special taxes within such territory to pay the costs of providing certain services which are necessary to meet increased demands placed upon the City as a result of the development of said real property.

Resolution No. 3913 provides in summary as follows:

1. The City Council declared its intention to conduct proceedings for the annexation to the District of the territory described in Exhibit "A" to Resolution No. 3913. The City Council determined that the public convenience and necessity require that such territory be annexed to the District.

2. The territory which is included in the District is described on the map of the District recorded on May 20, 2020 in Book 85 of Maps of Assessment and Community Facilities Districts, page 14, and as Instrument No 2020-0214738 in the official records of the County of Riverside. The territory proposed to be annexed to the District is described on the map thereof entitled "Annexation Map No. 5, Community Facilities District No. 2020-1 (Tax Zone No. 6) of the City of San Jacinto, County of Riverside, State of California," which is on file with the City Clerk of the City of San Jacinto.

3. The types of public services to be provided within the District are as follows:

The services to be provided and financed by the District are for (a) the maintenance of landscaped areas, parkways and medians improvements throughout the District and public rights-of-way, including, but not limited to, street trees, fencing, irrigation systems, sidewalks, drainage systems, graffiti removal, replacement, furnishing of water, electric current or energy, gas, or other illuminating agent for the operation of any improvement within the District; and (b) the maintenance and servicing of streetlights, traffic signals and appurtenant facilities, including, but not limited to furnishing of electric current, materials, contracted services, and the necessary maintenance, replacement, and repair required to keep the improvements in operational and satisfactory condition; and (c) any other services authorized under the Mello-Roos Community Facilities Act of 1982. The District shall also finance costs associated with the determination of the amount of and the levy and collection of special taxes which are levied to provide such services and costs otherwise incurred in order to carry out its authorized purposes. The services described above shall be provided, as needed, throughout the District and the territory proposed to be annexed thereto for the benefit of all owners of property and residents of the District and the territory proposed to be annexed thereto. All owners of taxable parcels of property within the District and the territory proposed to be annexed thereto shall pay special taxes to finance the annual cost of providing such services. The services to be provided and financed by the District, are necessary to meet increased demands placed upon the City as a result of development occurring within the District and the territory to be annexed thereto.

4. Special taxes sufficient to pay the costs of the services described in Section 3 above and the annual administrative expenses of the City and the District in determining, apportioning, levying and collecting such special taxes, shall be annually levied within the territory proposed to be annexed to the District. The special taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided however, that the District may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations. The rates and method of apportionment of said special taxes shall be as set forth in Exhibit "C" to Resolution No. 3913.

The maximum amounts of special taxes which may be annually levied are as follows:

DETERMINATION OF TAXABLE PARCELS

On or about July 1 of each Fiscal Year, the CFD Administrator shall determine the valid Assessor's Parcel Numbers for all Taxable Property within CFD 2020-1. If any Assessor's Parcel Numbers are no longer valid from the previous Fiscal Year, the CFD 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 Maximum Special Tax rates shall be assigned to the new Assessor's Parcels pursuant to Section III. The CFD Administrator shall also determine: (i) the Tax Zone within which each Parcel is located; (ii) which Parcels are Developed Property and Undeveloped Property; (iii) the number of Units each Parcel contains; (iv) the property type, i.e. Single Family Detached Property, etc; and (iv) the Annual Special Tax Requirement for the Fiscal Year.

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 CFD Administrator. The Annual Special Tax Requirement shall be apportioned to each Parcel within CFD 2020-1 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 described in the table below to satisfy the Annual Special Tax Requirement.
- Third. If additional monies are needed to satisfy the Annual Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property.

Under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2020-1.

**TABLE 1
SPECIAL TAX RATES – TAX ZONE NO. 1
FISCAL YEAR 2020/21***

Property Type	Special Tax Rate	Per	Expected Special Tax Revenue
Commercial Property	\$1,585.20	Acre	\$13,601.00
Undeveloped Property	\$1,585.20	Acre	\$13,601.00

**On each July 1, commencing on July 1, 2021, the Maximum Special Tax Rate and Expected Special Tax Revenue for each Tax Zone shall be increased by the Tax Escalation Factor.*

**TABLE 2
CONTINGENT SPECIAL TAX RATES – TAX ZONE NO. 1
FISCAL YEAR 2020/21***

Property Type	Contingent Special Tax Rate	Per	Expected Contingent Special Tax Revenue
Commercial Property	\$5,406.45	Acre	\$46,387.30
Undeveloped Property	\$5,406.45	Acre	\$46,387.30

**On each July 1, commencing on July 1, 2021, the Maximum Special Tax Rate and Expected Contingent Special Tax Revenue for each Tax Zone shall be increased by the Tax Escalation Factor.*

SPECIAL TAX RATES

Tax Zone	APNs	Base Year*	Rate	Expected Special Tax Revenue
2	436-360-011, 436-360-013, 436-360-014 & 436-360-015	2021/22	\$1,875.59/Acre	\$14,123.22
3	432-130-016, 432-130-017, 432-130-018, 432-130-020, 432-130-022 & 432-130-024	2022/23	\$358.97/Acre	\$12,463.58
4	439-070-020, 439-070-021 & 439-070-031	2022/23	\$530.20/Acre	\$7,550.10
5	434-102-001	2022/23	\$10,428.92/Acre	\$6,778.80
6	439-111-003 & 439-111-004	2021/22	\$1,641.69/Acre	\$3,743.06

** On each July 1, commencing on July 1 of the Base Year, the Maximum Special Tax Rate and Expected Special Tax Revenue for each Tax Zone shall be increased by the Tax Escalation Factor.*

CONTINGENT SPECIAL TAX RATES

Tax Zone	APNs	Base Year*	Rate	Expected Contingent Special Tax Revenue
2	436-360-011, 436-360-013, 436-360-014 & 436-360-015	2021/22	\$3,196.49/Acre	\$24,069.60
3	432-130-016, 432-130-017, 432-130-018, 432-130-020, 432-130-022 & 432-130-024	2022/23	\$1,206.40/Acre	\$41,886.20
4	439-070-020, 439-070-021 & 439-070-031	2022/23	\$1,123.42/Acre	\$15,997.44
5	434-102-001	2022/23	\$38,265.23/Acre	\$24.872.40
6	439-111-003 & 439-111-004	2021/22	\$5,599.12/Acre	\$12,766.00

** On each July 1, commencing on July 1 of the Base Year, the Maximum Special Tax Rate and Expected Contingent Special Tax Revenue for each Tax Zone shall be increased by the Tax Escalation Factor.*

Maximum Special Taxes

The Maximum Special Tax for each Assessor’s Parcel of Taxable Property within each Tax Zone shall be the greater of the Special Tax as show in Table 1 or the Backup Special Tax.

The Maximum Contingent Special Tax for each Assessor’s Parcel of Taxable Property within each Tax Zone shall be the greater of the Contingent Special Tax as show in Table 2 or the Backup Contingent Special Tax.

Backup Special Taxes

The Backup Special Tax for each Assessor’s Parcel of Taxable Property within each Tax Zone shall be the rate per Acre that results in the Expected Special Tax Revenue for each Tax Zone.

The Backup Contingent Special Tax for each Assessor’s Parcel of Taxable Property within each Tax Zone shall be the rate per Acre that results in the Expected Contingent Special Tax Revenue for each Tax Zone.

A different Maximum Special Tax rate may be identified in Tax Zones added to CFD 2020-1 as a result of future annexations.

In some instances, an Assessor’s Parcel of Developed Property may contain more than one type of property. The Maximum Special Taxes levied on an Assessor’s Parcel shall be the sum of the Maximum Special Taxes for all Units located on that Assessor’s Parcel.

FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The Special Tax may not be prepaid.

EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on Public Property, except as otherwise provided.

Additionally, Welfare Exempt Property, shall be reimbursed for Special Tax levied and paid. A property owner must provide documentation of the exemption within one calendar year after having paid the

Special Taxes for which an exemption has been granted. A refund of the amount of Special Taxes paid for the Fiscal Year the exemption has been granted will be provided to the owner of Welfare Exempt Property who was granted the exemption.

INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

The City reserves the right to make minor administrative and technical changes to the Rate and Method of Apportionment 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 the Rate and Method of Apportionment of Special Tax.

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 CFD 2020-1, and may collect delinquent Special Taxes through foreclosure or other available methods.

A Special Tax shall continue to be levied and collected within CFD 2020-1, as needed to fund the Annual Special Tax Requirement, in perpetuity.

APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD 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 CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD 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 CFD 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.

5. A public hearing on the proposed annexation of said territory to the District shall be held at 6:30 p.m. on June 21, 2022, in the San Jacinto Community Center, located at 625 S. Pico Avenue, San Jacinto, California.

6. The City Clerk shall publish a notice of the time and place of said hearing and shall also give notice of the time and place of said hearing by first-class mail to each registered voter and

landowner within the territory proposed to be annexed to the District. Said notice shall be published at least seven (7) days and mailed at least 15 days before the date of the hearing.

7. The voting procedures to be followed in conducting the election on the proposition with respect to the levy of special taxes within the territory proposed to be annexed to the District to pay the costs of services to be financed by the District shall be as follows:

(a) If at the time of the close of the public or protest hearing at least 12 persons are registered to vote within the territory proposed to be annexed to the District, the election shall be conducted by the City Clerk, and shall be held on a date selected by the City Council, and the ballots for the election shall be distributed to the qualified electors of the territory proposed to be annexed to the District by mail with return postage prepaid and the election shall be conducted as a mail ballot election.

(b) If at the time of the close of the protest hearing, and for at least the preceding 90 days, less than 12 persons have been registered to vote within the territory proposed to be annexed to the District the vote is therefore to be by the landowners of that territory, with each landowner of record at the close of the protest hearing having one vote for each acre or portion of an acre of land that he or she owns, and the election shall be conducted by the City Clerk as follows:

(1) The election shall be held on the earliest date following the conclusion of the protest hearing upon which it can be held which may be selected by the City Council, or such earlier date as the owners of land within the territory proposed to be annexed to the District and the City Clerk agree and concur is acceptable.

(2) The election may be held earlier than 90 days following the close of the protest hearing if the qualified electors of the territory proposed to be annexed to the District waive the time limits for conducting the election by unanimous written consent and the City Clerk concurs in such earlier election date as shall be consented to by the qualified electors.

(3) Ballots for the election shall be distributed to the qualified electors by the City Clerk by mail with return postage prepaid, or by personal service.

(4) The City Clerk shall mail to each qualified elector an official ballot, and shall also mail to all such qualified electors other required election documents, including a return identification envelope with prepaid postage thereon addressed to the City Clerk for the return of voted official ballots.

(5) The information-to-voter form to be mailed or delivered by the City Clerk to the landowner-voters shall inform them that the official ballots shall be returned to the City Clerk properly voted as provided thereon and with the certification appended thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted by 5:00 o'clock p.m. on the date of the election.

(6) Upon receipt of the return identification envelopes which are returned prior to the voting deadline on the date of the election, the City Clerk shall canvass the

votes cast in the election, and shall file a statement with the City Council at its next regular meeting regarding the results of such canvass and the election.

Resolution No. 3913 contains other provisions which are not summarized above. A copy of Resolution No. 3913 may be reviewed or obtained at the office of the City Clerk of the City of San Jacinto located at 595 S. San Jacinto Ave., San Jacinto, CA 92583 or by emailing the City Clerk at jespinoza@sanjacintoca.gov.

NOTICE IS FURTHER GIVEN that at the time and place of said hearing, all persons interested for or against the annexation of said territory to the District or the levying of special taxes within such territory to pay the costs of providing certain services within the territory proposed to be annexed to the District will be heard. At the hearing, protests against the proposals described in Resolution No. 3913 may be made by any interested person. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the hearing. The City Council may waive any irregularities in the form or content of any written protests and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If the owners of one-half or more of the area of land in the territory included in the existing district, or if the owners of one-half or more of the area of land in the territory proposed to be annexed to the District file written protests against the proposed annexation of such territory to the District, and protests are not withdrawn so as to reduce the protest to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of decision of the City Council on the issues discussed at the hearing.

The hearing may be continued from time to time, but shall be completed within 30 days. At the conclusion of the hearing, the City Council may abandon the proceedings or may, after passing upon all protests, submit the question of levying the special tax within the area proposed to be annexed to the District to the qualified electors of the area proposed to be annexed.

Julia Espinoza
City of San Jacinto
City Clerk