



MOUNTAINS RECREATION AND CONSERVATION AUTHORITY

SPECIAL TAX REPORT COMMUNITY FACILITIES DISTRICT No. 1 (OPEN SPACE PROTECTION AND FIRE PREVENTION)

AUGUST 2012
FINAL REPORT

PREPARED FOR:

**GOVERNING BOARD
MOUNTAINS RECREATION AND CONSERVATION AUTHORITY**

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INTRODUCTION

On July 27, 2012, the Governing Board of the Mountains Recreation and Conservation Authority ("MRCA") adopted Resolution No. 12-84 ("ROI"), expressing its intent to establish Community Facilities District No. 1 and to authorize the levy of a special tax. The special tax is needed by the MRCA to provide funding to adequately maintain, preserve and improve open space, parkland, wildlife corridors, natural habitats, lands, waters, and to provide adequate fire prevention and safety and security services within the East Santa Monica Mountains / Hollywood Hills Area of the MRCA.

This Community Facilities District ("CFD") Special Tax Report ("Report") was prepared pursuant California Government Code § 53321.5. The purpose of this Report is to:

- Describe the services and facilities to be provided by the CFD.
- Detail the annual maintenance, service and facilities costs and the proposed maximum special tax and special RMA for the different land uses within the CFD.

Additionally, three exhibits are attached to this Report. Exhibit A is proposed boundaries of the CFD. Exhibit B is the list of authorized services and facilities that may be funded by the CFD. Exhibit C is the amended Rate and Method of Apportionment of Special Tax ("RMA").

SUMMARY OF LAND USE

The area proposed to be included in CFD No. 1 is described as lands within the Santa Monica Mountains Conservancy Zone in the City of Los Angeles generally within the Santa Monica Mountains west of Griffith Park and east of Interstate 405 ("East Santa Monica Mountains / Hollywood Hills Area" or "Area").

The proposed boundaries of CFD No. 1 are attached in Exhibit A.

CFD No. 1 includes a total of approximately 22,692 acres. The MRCA currently maintains over 1,600 acres of local open space, parkland and wildlife corridors in this Area.

FIGURE 1 – SUMMARY OF LAND USE (CFD No. 1)

Total Acres	22,692 acres
Developed Property	28,399 parcels
Undeveloped Property	6,265 parcels
Non-Taxable Property	811 parcels
Total Parcels	35,475 parcels

DESCRIPTION OF SERVICES AND FACILITIES AND ANNUAL COST

The services and facilities required to adequately meet needs CFD No. 1 generally include maintenance, acquisition, improvement, servicing, protection, and preservation of open space, parkland, wildlife corridors, natural habitats, lands, waters, and facilities owned or managed by the MRCA within the CFD. The services and facilities include, but are not limited to, the protection of water quality, the reduction of the risk of wildfires, park ranger safety and security services, and the collection and accumulation of reserves for the aforementioned purposes.

The total annual costs for the services and facilities required to meet the needs of for CFD No. 1 are estimated to be \$681,000 in 2012 dollars, including \$34,000 for fair and reasonable incidental costs. Incidental costs include, but are not limited to, CFD special tax administration costs, other administrative costs and charges by Los Angeles County for the collection of the special taxes.

The list of authorized services and facilities to be funded in CFD No. 1 are detailed in Exhibit B.

Some of the future services and facilities costs described in Exhibit B will require lump sum expenditures, such as the acquisition of additional open space. However, the MRCA will collect special taxes on an annual basis and in order to fund larger lump sum expenditures, will place a portion of the revenues in a reserve account to fund future service and facility costs.

OVERVIEW OF THE PROPOSED CFD SPECIAL TAX

This section contains general recommendations for the structure and administration of the CFD special tax. The specific proposed requirements are detailed in Exhibit B - Description of Services and Facilities to be financed by the CFD and Exhibit C – Rate and Method of Apportionment of the Special Tax.

USE OF PROCEEDS

The special tax will be used for the purpose of open space, parkland and wildlife corridor maintenance and preservation, fire prevention and park ranger safety and security services in the East Santa Monica Mountains / Hollywood Hills Area and to fund the acquisition of additional open space in this area and to pay any incidental expenses related to the collection or use of the special tax.

The list of authorized services and facilities to be funded by CFD are detailed in Exhibit B.

RATE AND METHOD OF APPORTIONMENT

Special taxes within the CFD will be levied according to the Rate and Method of Apportionment of Special Tax (the "RMA") attached as Exhibit C. The maximum annual special tax shall be \$24.00 per developed parcel with the CFD. The special tax shall be levied annually beginning in Fiscal Year 2013-14 for a period not to exceed 10 years. The maximum annual special tax shall not be adjusted for inflation.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as ad valorem property taxes.

ACCOUNTABILITY REPORT

In accordance with Government Code Section 50075.3, Executive Officer, or his or her designee, shall file a report with the Board no later than January 1 of each year. The annual report shall contain both of the following: (a) the amount of funds collected and expended; (b) the status of any project required or authorized to be funded with the proceeds of the special tax in accordance with this Section.

CITIZENS' OVERSIGHT

A citizens' oversight committee shall be appointed by the Board and shall review and report annually on the expenditure of the special tax revenues.

EXHIBIT A – PROPOSED BOUNDARIES OF CFD

MOUNTAINS RECREATION CONSERVATION AUTHORITY
Community Facilities District No. 1
(Open Space Protection and Fire Prevention)

CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF THE MOUNTAINS RECREATION AND CONSERVATION AUTHORITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, THIS _____ DAY OF _____ 2012.

CLERK OF THE BOARD

CLERK'S MAP CERTIFICATE

I DO HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 1, MOUNTAINS RECREATION AND CONSERVATION AUTHORITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF THE MOUNTAINS RECREATION AND CONSERVATION AUTHORITY AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2012, BY ITS RESOLUTION NO. _____.

CLERK OF THE BOARD

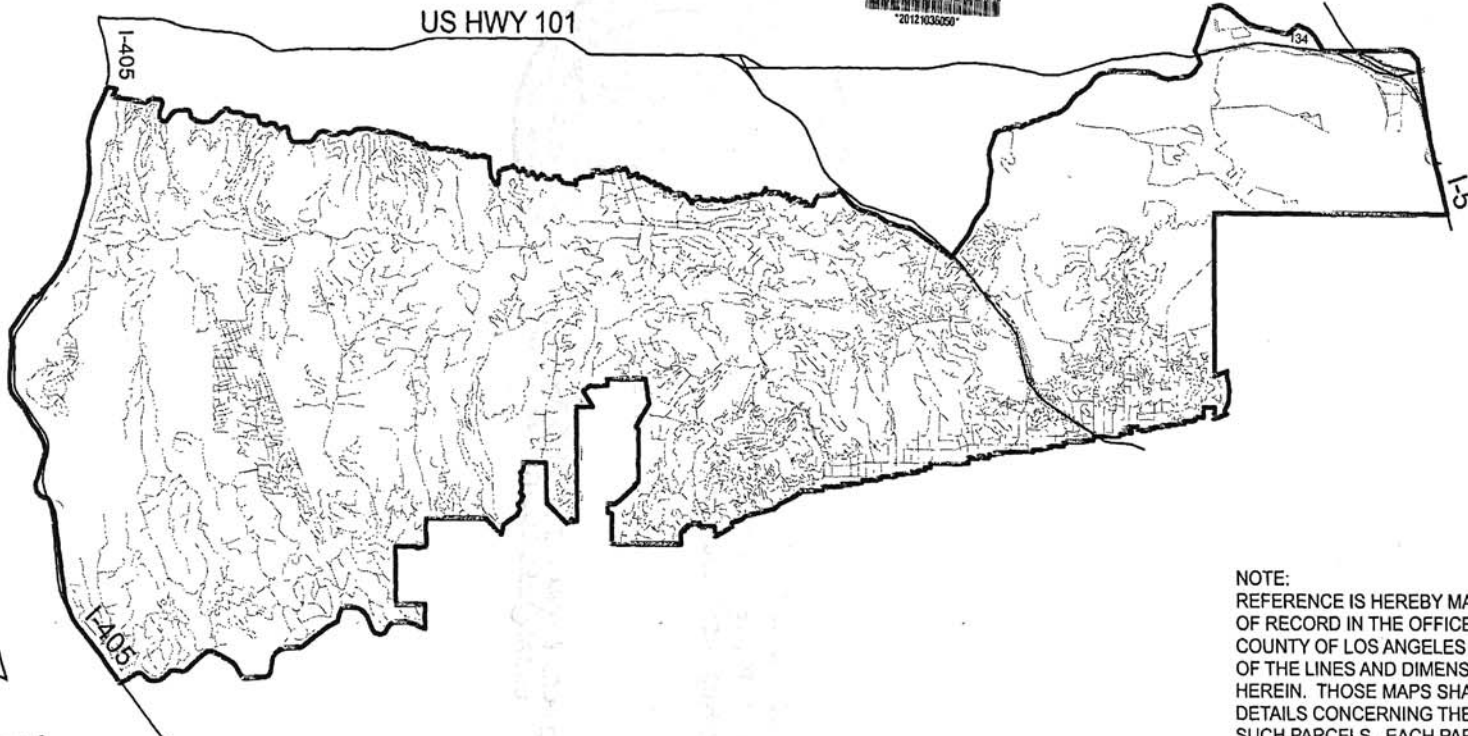
RECORDER'S CERTIFICATE

FILED THIS _____ DAY OF _____, 2012 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 RECORDER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

COUNTY RECORDER, COUNTY OF LOS ANGELES



FILED
AT REQUEST OF
COMMUNITY FACILITIES DISTRICT
30 MIN
PAST 3pm
IN BOOK 193
AT PAGE 89
OF ASSESSMENT MAPS
LOS ANGELES COUNTY, CA
Registrar-Recorder
BY N. Jones
FEE \$ 8
36A



Legend

- Community Facilities District No. 1 Boundary
- Major Roads
- Streets

NOTE:
REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF LOS ANGELES FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCELS SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.

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PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 1 OF THE
MOUNTAINS RECREATION AND CONSERVATION AUTHORITY,
CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA
Sheet 1 of 1 (Open Space Protection and Fire Prevention)

EXHIBIT B – DESCRIPTION OF SERVICES AND FACILITIES TO BE FINANCED BY THE CFD

MOUNTAINS RECREATION CONSERVATION AUTHORITY Community Facilities District No. 1 (Open Space Protection and Fire Prevention)

The services and facilities described below are proposed to be financed by Community Facilities District No. 1 (the "CFD") of the Mountain Recreation and Conservation Authority (the "MRCA"):

The types of services and facilities to be financed by the CFD ("Services and Facilities") shall include, maintenance, acquisition, improvement, servicing, protection, and preservation of open space, parkland, wildlife corridors, natural habitats, lands, waters, and facilities owned or managed by the MRCA within the CFD; and administrative or incidental expenses thereto. The Services and Facilities include, but are not limited to, the protection of water quality, the reduction of the risk of wildfires, park ranger safety and security services, and the collection and accumulation of reserves for the aforementioned purposes.

"Improvements," as used herein, means facilities, buildings, fixed equipment, trails, roads, parking lots and other man-made structures on or alterations to lands owned or managed by the MRCA.

"Maintenance," as used herein, means the furnishing of services and materials for the routine, recurring, and usual work for the preservation or protection of Improvements for their intended purposes. Maintenance includes, but is not limited to, the repair, removal or replacement of all or any part of any Improvements; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste; the cleaning, sandblasting, and painting of walls and other structural Improvements to remove or cover graffiti; fire prevention services; and safety and security services.

"Servicing," as used herein, means the furnishing of electric current, gas, or other form of energy for any public lighting facilities or for the lighting or operation of any other Improvements; and water for uses including, but not limited to, the irrigation of any landscaping, the operation of any fountains, or the Maintenance of any other Improvements.

EXHIBIT C – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

MOUNTAINS RECREATION CONSERVATION AUTHORITY Community Facilities District No. 1 (Open Space Protection and Fire Prevention)

This document defines the rate and method of apportionment for an annual special tax (the "Special Tax") proposed to be collected by the Mountains Recreation and Conservation Authority (the "MRCA") to be used to maintain, improve, acquire, protect and preserve open space, wildlife corridors, natural habitats, lands, waters, and facilities owned or managed by the MRCA.

If approved by voters, the Special Tax, determined as shown below, may be levied annually by the Governing Board (the "Board") of the Mountains Recreation and Conservation MRCA within the boundaries of Community Facilities District No. 1 (the "CFD"):

A. DEFINITIONS

"Developed Property" means real property with improvements for residential, commercial or other purposes.

"Fiscal Year" means the period starting July 1 and ending the following June 30.

"Non-Taxable Property" means real property not subject to property taxation.

"Undeveloped Property" means real property without improvements which is designated as vacant by the County Assessor as of July 1 of the current Fiscal Year.

B. PROPERTY CATEGORIES AND ANNUAL SPECIAL TAX RATES

Each property within the CFD shall be classified, as of July 1 of the Fiscal Year, into one of the following property uses, and the Special Tax shall be levied as set forth below:

- | | |
|--------------------------|-------------------------------|
| 1. Developed Property: | Maximum of \$24.00 per parcel |
| 2. Undeveloped Property: | No Special Tax |
| 3. Non-Taxable Property: | No Special Tax |

The Special Tax listed above shall be levied annually beginning in Fiscal Year 2013-14 for a period not to exceed 10 years.

C. LIMITATIONS

The per parcel maximum established above shall not be increased over time. The Special Tax shall not be collected after Fiscal Year 2022-2023, except for any amount that remains delinquent in subsequent years. Under no circumstances will the Special Tax levied in a Fiscal Year against any parcel be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the CFD by more than 10 percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

D. COLLECTION OF THE SPECIAL TAX

The Special Tax shall be collected each Fiscal Year in the same manner and at the same time as ad valorem property taxes are collected and in the case of delinquency, shall be subject to the same penalties and lien priorities that apply to ad valorem taxes levied within the CFD. The MRCA intends that the Special Tax be included in the County Auditor's annual billing for ad valorem taxes.

E. CITIZENS' OVERSIGHT AND ACCOUNTABILITY PROVISIONS

The proceeds of the Special Tax shall be used to maintain, improve, acquire, protect and preserve open space, wildlife corridors, natural habitats, lands, waters, and facilities owned or managed by the MRCA within the CFD ("Services and Facilities"); and administrative or incidental expenses thereto, including costs for the collection and use of the Special Tax. The Services and Facilities include, but are not limited to, the protection of water quality, the reduction of the risk of wildfires, park ranger safety and security services, and the collection and accumulation of reserves for the aforementioned purposes.

The proceeds of the Special Tax shall be deposited into a fund, which shall be kept separate and apart from other funds of the MRCA. No later than January 1 of the following Fiscal Year for which the Special Tax is in effect, the MRCA shall prepare a report, for review and approval of the Board, detailing the amount of funds collected and expended, and the status of any project authorized to be funded by the Special Tax.

In addition, an advisory committee of citizens shall be appointed or designated by the Board to ensure that the Special Tax proceeds are spent for their authorized purposes, and to report annually to the Board and the public regarding the expenditure of such funds. The Board shall establish the composition and duties of the advisory committee and shall make all necessary appointments so that the advisory committee may convene within 6 months following the election authorizing the Special Tax.

F. APPEALS AND INTERPRETATION PROCEDURE

Any property owner within the CFD who believes that the portion of the Special Tax levied on the subject property is in error, may file a written appeal no later than June 30 of the Fiscal Year in which the levy occurred, with the Executive Officer or his or her designee, appealing the levy of the Special Tax on the subject property. The Executive Officer or his or her designee will promptly review the appeal, and, if necessary, meet with the applicant, and decide the merits of the appeal. If the findings of the Executive Officer or his or her designee verify that the Special Tax levied should be modified, the Special Tax levy for future Fiscal Years shall be corrected, and a credit against future Special Taxes shall be arranged, if applicable. Any dispute over the decision of the Executive Officer or his or her designee shall be referred to the Board and the decision of the Board shall be final.

CFD Special Tax Report, August 2012
Mountain Recreations and Conservation Authority
Community Facilities District No. 1 (Open Space Protection and Fire Prevention)
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