



MOUNTAINS RECREATION AND CONSERVATION AUTHORITY

PUBLIC HEARING REPORT

COMMUNITY FACILITIES DISTRICT 2018-1 (SANTA SUSANA MOUNTAINS)

APRIL 2018
PUBLIC REVIEW REPORT

PREPARED FOR:

**BOARD OF DIRECTORS
MOUNTAINS RECREATION AND CONSERVATION AUTHORITY**

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INTRODUCTION

The Mountains Recreation and Conservation Authority ("District") is proposing formation of Community Facilities District 2018-1 (Santa Susana Mountains) ("CFD") and the levy of an annual special tax for Tentative Tract Map 53138 for 320 single-family homes in unincorporated Los Angeles County, in order to provide funding for services.

On March 7, 2018, the Board of Directors ("Board") of the District approved a resolution declaring its intent to establish a CFD in connection with the development of Tract 53138; authorize the levy of the special tax therein; and schedule a public hearing on the matter for May 2, 2018. This CFD Public Hearing Report ("Report") was prepared pursuant California Government Code § 53321.5. The purpose of this Report is to provide the following information at the public hearing:

- Describe the services to be financed by the CFD.
- Provide an estimate of the fair and reasonable cost of the services and incidental expenses for the CFD.

Additionally, the Report details the determination of the allocation of annual costs and special tax on residential land use in the Tract 53138.

Four important exhibits are attached to this Report. Exhibit A shows the boundaries of the Tract 53138 and the proposed boundaries of the CFD. Exhibit B is the description of landowner properties included in the initial formation of the proposed CFD. Exhibit C describes the services to be funded by the proposed CFD. Exhibit D outlines the rate and method of apportionment of the proposed special tax.

LAND USE PLAN SUMMARY

Tract 53138 provides for the development of 320 residential units. As shown below, Tract 53138 includes one taxable land use category.

FIGURE 1 – LAND USE PLAN

Land Use Type	Acres	Dwelling Units
Residential	214.73	320.0

Source: Forestar Chatsworth LLC

The boundaries of Tract 53138 and the proposed CFD are attached as Exhibit A. The initial formation of the CFD includes 12 vacant parcels.

DESCRIPTION OF SERVICES

The types of services to be financed by the CFD ("Services") shall include maintenance, servicing, restoration, protection, and preservation of open space, parkland, wildlife corridors, natural habitats, trees, lands, waters, and facilities owned or managed by the Mountains Recreation and Conservation Authority ("MRCA") within the Santa Susana Mountains; park ranger and security patrols; and the collection and accumulation of reserves for the aforementioned purposes; including administrative or incidental expenses thereto. The CFD shall finance Services only to the extent that they are in addition to those provided in the territory of the CFD before the CFD was created and such Services may not supplant services already available within the CFD when the CFD was created.

"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 within the Santa Susana Mountains.

"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; 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.

As shown in Figures 2 and 3 on the following page, the total Tax A and Tax B annual costs for the Services required to meet the needs of the CFD are estimated to be \$123,030.

The list of authorized Services to be financed by the CFD are further detailed in Exhibit C.

FIGURE 2 – ESTIMATE OF ANNUAL SPECIAL TAX A SERVICES COSTS

Cost Component	Maximum Annual Cost
Additional Maintenance and Restoration Staff	\$23,000
Water Tank Native Plant Maintenance and Water	\$20,000
Additional MRCA Ranger Staff	\$47,500
Administration	\$4,530
Contingency	\$2,250
Total Maximum Annual Cost of Special Tax A Services	\$97,280

Source: Forestar Chatsworth LLC, Mountains Recreation and Conservation Authority, SCI Consulting Group

FIGURE 3 – ESTIMATE OF ANNUAL SPECIAL TAX B SERVICES COSTS

Cost Component	Maximum Annual Cost
Water Tank Native Plant Maintenance and Water	\$25,000
Contingency	\$750
Total Maximum Annual Cost of Special Tax B Services	\$25,750

Source: Forestar Chatsworth LLC, Mountains Recreation and Conservation Authority, SCI Consulting Group

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

The special taxes within the CFD will be levied according to the formulas and provisions of the amended Rate and Method of Apportionment of Special Tax (the "RMA") which is attached as Exhibit D. Special taxes will be collected annually for each residential dwelling unit within the CFD.

In order to determine the annual maximum special taxes, the annual maximum costs are allocated to residential land use based on the number dwelling units. Figure 4 on the following page details the allocation of annual Special Tax A services costs. Figure 5 on the following page details the allocation of annual Special Tax B services costs.

FIGURE 4 – DETERMINATION OF RATE AND METHOD OF APPORTIONMENT SPECIAL TAX A

Special Tax A Cost Component	Maximum Annual Cost
Additional Maintenance and Restoration Staff	\$23,000
Water Tank Native Plant Maintenance and Water	\$20,000
Additional MRCA Ranger Staff	\$47,500
Administration	\$4,530
Contingency	\$2,250
Total Annual Cost of Special Tax A Services	\$97,280
Total Number of Taxable Parcels	320
Maximum Annual Special Tax A Levy per Parcel	\$304.00

FIGURE 5 – DETERMINATION OF RATE AND METHOD OF APPORTIONMENT SPECIAL TAX B

Special Tax B Cost Component	Maximum Annual Cost
Water Tank Native Plant Maintenance and Water	\$25,000
Contingency	\$750
Total Annual Cost of Special Tax B Services	\$25,750
Total Number of Taxable Parcels	320
Maximum Annual Special Tax B Levy per Parcel	\$80.47

Figures 4 and 5 on the previous page shows the allocation of the total maximum annual cost to developed or undeveloped property within the proposed CFD. The maximum special taxes are \$304.00 per parcel for Special Tax A Services and \$80.47 per parcel for Special Tax B Services.

Commencing with Fiscal Year 2018-2019 and for each following Fiscal Year, the District shall levy the Special Tax A on all taxable property until the amount of Special Tax A equals the Special Tax A requirement in accordance with the following steps:

First: The Special Tax A shall be levied proportionately on each parcel of developed property at up to 100% of the applicable Maximum Special Tax A as needed to satisfy the Special Tax A requirement;

Second: If additional moneys are needed to satisfy the Special Tax A requirement after the first step has been completed, the Special Tax A shall be levied proportionately on each parcel of undeveloped property at up to 100% of the Maximum Special Tax A for undeveloped property

Commencing with Fiscal Year 2018-2019 and for each following Fiscal Year, the District shall levy the Special Tax B on all taxable property until the amount of Special Tax B equals the Special Tax B requirement in accordance with the following steps:

First: The Special Tax B shall be levied proportionately on each parcel of developed property at up to 100% of the Maximum Special Tax B applicable to such parcel as needed to satisfy the Special Tax B requirement;

Second: If additional moneys are needed to satisfy the Special Tax B requirement after the first step has been completed, the Special Tax B shall be levied proportionately on each parcel of undeveloped property at up to 100% of the Maximum Special Tax B applicable to such parcel;

OVERVIEW OF THE PROPOSED CFD SPECIAL TAX

This section provides an overview of the structure and administration procedures of the CFD special tax. The specific administrative requirements are detailed in the Exhibit C - Description of Services to be financed by the CFD and the Exhibit D – Rate and Method of Apportionment of the Special Tax.

USE OF SPECIAL TAX PROCEEDS

The special tax will be used solely for the maintenance, servicing, restoration, protection, and preservation of open space, parkland, wildlife corridors, natural habitats, lands, waters, and facilities owned or managed by the MRCA within the Santa Susana Mountains; and administrative or incidental expenses.

ANNUAL INFLATIONARY ADJUSTMENT

The Maximum Special Tax A and Maximum Special Tax B shall be increased each July 1st, commencing July 1, 2019, based on the percentage increase in the Consumer Price Index with a maximum annual increase of three percent (3%) and a minimum annual increase of one percent (1%) of such Maximum Special Tax in effect in the previous Fiscal Year.

PREPAYMENT OF SPECIAL TAX

Prepayment of the CFD special tax is not authorized.

DURATION OF THE SPECIAL TAX

The Special Tax A shall be levied annually in perpetuity as needed to fund the Special Tax A requirement unless terminated earlier by the MRCA. The Special Tax B shall be levied annually as needed to satisfy the Special Tax B requirement in accordance with this Rate and Method of Apportionment. If the Special Tax A and Special Tax B is terminated, the MRCA shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as ad valorem property taxes. At the District's option, the special tax may be billed directly to property owners.

ANNUAL SPECIAL TAX REPORT

In accordance with Government Code Section 50075.3, the District 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 the RMA.

AMENDED RESOLUTION OF INTENTION

On March 7, 2018 the Board approved a Resolution of Intention to Establish Community Facilities District No 2018-1. After its adoption the District and the property owner agreed to adding additional services to maintain the area where trees are to be installed surrounding the new water tank that will serve the residential property in the CFD ("Native Plant Area"). These additional services are anticipated to cost an additional \$45,000 for the first 10 years and an additional \$20,000 for ongoing maintenance after the plant establishment period.

Special Tax A would be levied annually to provide funding for ongoing Services. Special Tax B would be levied annually to provide funding for additional maintenance and water in the Native Plant Area required because it cannot survive on annual rainfall as determined by the District, anticipated to be for the first 10 years. The addition of these Services results in an additional \$20,000 per year in Special Tax A costs, an additional \$62.50 per parcel, and the addition of Special Tax B Services results in an additional \$25,750 per year in Special Tax B costs, an additional \$80.47 per parcel. Figure 6 below details the original Special Tax costs approved at the March 7, 2-18 Board meeting. Figure 7 and 8 on the following page details the amended Special Tax A and Special Tax B costs.

FIGURE 6 - ORIGINAL SPECIAL TAX ANNUAL COSTS

Special Tax Cost Component	Maximum Annual Cost
Additional Maintenance and Restoration Staff	\$23,000
Additional MRCA Ranger Staff	\$47,500
Administration	\$4,530
Contingency	\$2,250
Total Annual Cost of Special Tax Services	\$77,280
Total Number of Taxable Parcels	320
Maximum Annual Special Tax Levy per Parcel	\$241.50

FIGURE 7 - AMENDED SPECIAL TAX A COST

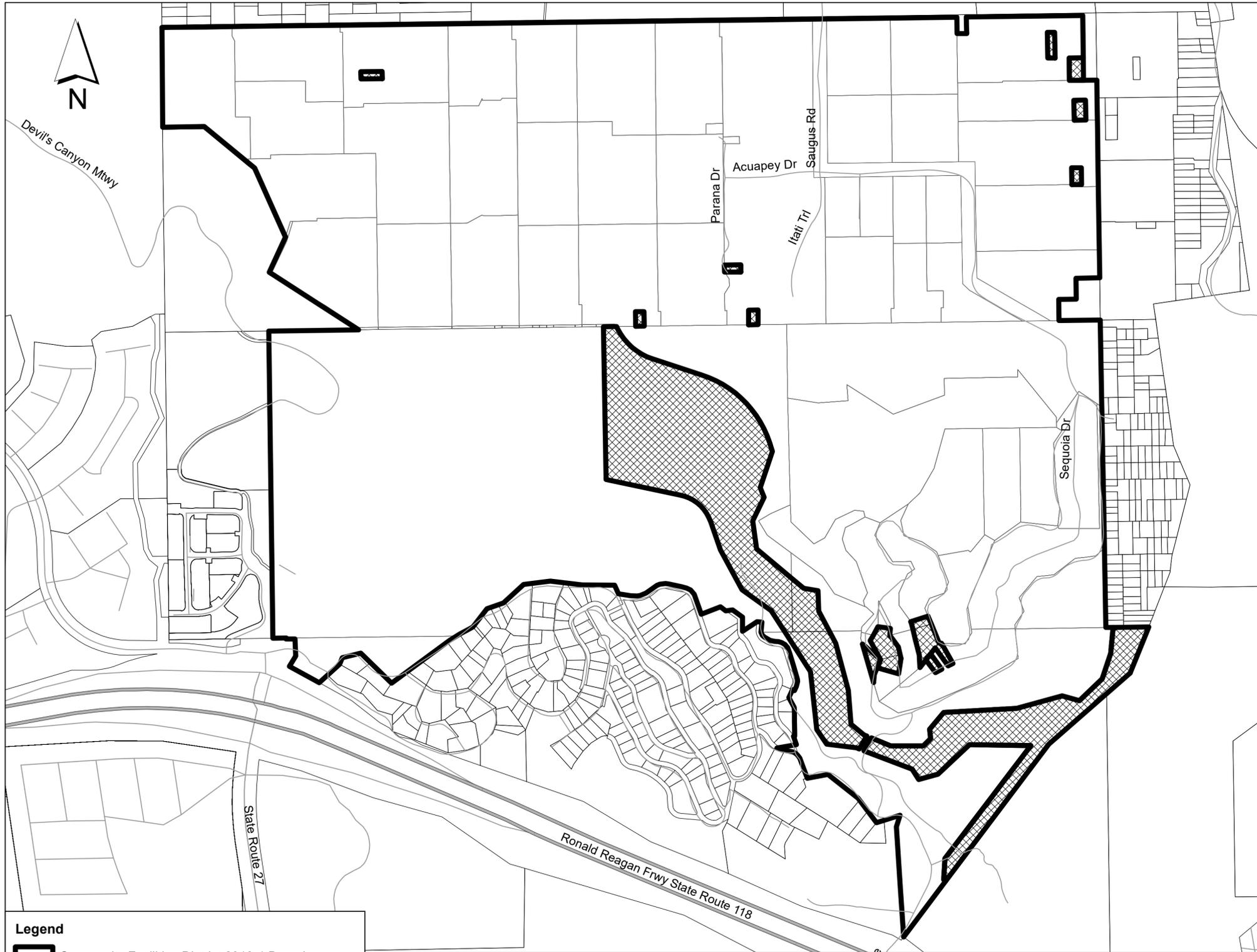
Special Tax A Cost Component	Maximum Annual Cost
Additional Maintenance and Restoration Staff	\$23,000
Water Tank Native Plant Maintenance and Water	\$20,000
Additional MRCA Ranger Staff	\$47,500
Administration	\$4,530
Contingency	\$2,250
Total Annual Cost of Special Tax A Services	\$97,280
Total Number of Taxable Parcels	320
Maximum Annual Special Tax A Levy per Parcel	\$304.00

FIGURE 8 - AMENDED SPECIAL TAX B COST

Special Tax B Cost Component	Maximum Annual Cost
Water Tank Native Plant Maintenance and Water	\$25,000
Contingency	\$750
Total Annual Cost of Special Tax B Services	\$25,750
Total Number of Taxable Parcels	320
Maximum Annual Special Tax B Levy per Parcel	\$80.47

EXHIBIT A – PROPOSED BOUNDARIES OF CFD

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY COMMUNITY FACILITIES DISTRICT 2018-1 (STERLING WEST HILLS)



Legend

-  Community Facilities District 2018-1 Boundary
-  Not Included in Community Facilities District 2018-1
-  Streets
-  Parcels

SCI Consulting Group
 4745 Mangels Blvd
 Fairfield, CA 94534
 (707) 430-4300

Assessor Parcel Number:

2818017029	2819007026	2819007030
2819007023	2819007027	2819007031
2819007024	2819007028	2819007032
2819007025	2819007029	2819007033

**PROPOSED BOUNDARIES OF
 COMMUNITY FACILITIES DISTRICT NO. 2018-1 OF THE
 MOUNTAINS RECREATION AND CONSERVATION AUTHORITY,
 LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA
 Sheet 1 of 1 (Santa Susana Mountains)**

SECRETARY'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF THE MOUNTAINS RECREATION AND CONSERVATION AUTHORITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, THIS _____ DAY OF _____ 2018.

SECRETARY OF THE BOARD

SECRETARY'S MAP CERTIFICATE

I DO HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2018-1, 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 _____, 2018, BY ITS RESOLUTION NO. _____.

SECRETARY OF THE BOARD

RECORDER'S CERTIFICATE

FILED THIS _____ DAY OF _____, 2018 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

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.

EXHIBIT B – DESCRIPTION OF LANDOWNER PROPERTIES

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY COMMUNITY FACILITIES DISTRICT 2018-1 (SANTA SUSANA MOUNTAINS)

<u>Assessor's Parcel Number</u>	<u>Acres</u>	<u>Property Owner</u>
2818017029	0.14	FORESTAR CHATSWORTH LLC
2819007023	24.93	FORESTAR CHATSWORTH LLC
2819007024	30.00	FORESTAR CHATSWORTH LLC
2819007025	29.80	FORESTAR CHATSWORTH LLC
2819007026	0.01	FORESTAR CHATSWORTH LLC
2819007027	19.35	FORESTAR CHATSWORTH LLC
2819007028	0.71	FORESTAR CHATSWORTH LLC
2819007029	18.59	FORESTAR CHATSWORTH LLC
2819007030	1.95	FORESTAR CHATSWORTH LLC
2819007031	29.19	FORESTAR CHATSWORTH LLC
2819007032	58.15	FORESTAR CHATSWORTH LLC
2819007033	1.91	FORESTAR CHATSWORTH LLC

EXHIBIT C – DESCRIPTION OF SERVICES TO BE FINANCED BY THE CFD

AMENDED DESCRIPTION OF SERVICES TO BE FINANCED BY THE CFD

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY Community Facilities District 2018-1 (Santa Susana Mountains)

The types of services to be financed by the CFD ("Services") shall include maintenance, servicing, restoration, protection, and preservation of open space, parkland, wildlife corridors, natural habitats, trees, lands, waters, and facilities owned or managed by the Mountains Recreation and Conservation Authority ("MRCA") within the Santa Susana Mountains; park ranger and security patrols; and the collection and accumulation of reserves for the aforementioned purposes; including administrative or incidental expenses thereto. The CFD shall finance Services only to the extent that they are in addition to those provided in the territory of the CFD before the CFD was created and such Services may not supplant services already available within the CFD when the CFD was created.

"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 within the Santa Susana Mountains.

"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; 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 D – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 2018-1 (SANTA SUSANA MOUNTAINS) OF THE MOUNTAINS RECREATION AND CONSERVATION AUTHORITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

A Special Tax (all capitalized terms are defined in Section A., "Definitions", below) shall be applicable to each Parcel of Taxable Property located within the boundaries of Community Facilities District No. 2018-1 (Santa Susana Mountains). The amount of Special Tax to be levied on a Parcel in each Fiscal Year, commencing in Fiscal Year 2018-2019, shall be determined by the Governing Board of the Mountains Recreation and Conservation Authority (the "MRCA"), acting in its capacity as the legislative body of the CFD by applying the appropriate Special Tax as set forth in Sections B., C., and D., below. All of the real property within the CFD, unless exempted by law or by the provisions below, 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:

"Act" means 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.

"Administrative Expenses" means all actual or reasonably estimated costs and expenses of the CFD that are chargeable or allocable to carry out the duties of the Administrator of the CFD as allowed by the Act, which shall include without limitation, all costs and expenses arising out of or resulting from the annual levy and collection of the Special Tax (whether by the MRCA or designee thereof or both), any litigation or appeal involving the CFD, and other administrative expenses of the MRCA or designee thereof directly related to the CFD. Administrative Expenses shall also include amounts estimated or advanced by the MRCA or CFD for attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

"Administrator" means an official of the MRCA, or designee thereof, responsible for the administration of the CFD, including but not limited to, determining the annual amount of the Special Tax levy and collection of the Special Taxes.

"Assessor" means the Assessor of the County.

"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 number assigned to a lot or Parcel for purposes

of identification as determined from an Assessor Parcel Map or the applicable assessment roll.

"Boundary Map" means a recorded map of the CFD which indicates by a boundary line the extent of the territory identified to be subject to the levy of Special Taxes.

"Building Permit" means the first legal document issued by a local agency giving official permission for new construction on a Parcel. For purposes of this definition, "Building Permit" shall not include any subsequent Building Permits issued or changed after the first issuance.

"CFD" means Community Facilities District No. 2018-1 (Santa Susana Mountains) of the Mountains Recreation and Conservation Authority.

"Consumer Price Index" means the Consumer Price Index published by the U.S. Bureau of Labor Statistic for "All Urban Consumers" in the Los Angeles-Riverside-Orange County Area, measured as of the month of December in the Calendar Year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the Administrator that is reasonably comparable to the Consumer Price Index for the Los Angeles-Riverside-Orange County Area.

"County" means the County of Los Angeles, California.

"Developed Property" means all Parcels of Taxable Property: (i) that are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a Building Permit for new construction has been issued prior to June 1st preceding the Fiscal Year in which the Special Tax is being levied.

"Dwelling Unit" or "(D/U)" 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.

"Exempt Property" means any Parcel within the CFD which is not Developed Property or Undeveloped Property, and includes Public Property.

"Final Map" means a subdivision of property by recordation of a Assessor's Parcel Map or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

"Fiscal Year" means the 12 month period starting on July 1 of any calendar year and ending the following June 30.

"Governing Board" means the Board of Directors for the Mountains Recreation and

Conservation Authority.

"Maximum Special Tax" means the Maximum Special Tax A or the Maximum Special Tax B.

"Maximum Special Tax A" means for each Parcel in each Fiscal Year, the greatest amount of Special Tax A, determined in accordance with Section C., below, which may be levied on such Parcel in such Fiscal Year.

"Maximum Special Tax B" means for each Parcel in each Fiscal Year, the greatest amount of Special Tax B, determined in accordance with Section C., below, which may be levied on such Parcel in such Fiscal Year.

"MRCA" means the Mountains Recreation and Conservation Authority.

"Native Plant Area" means the area where trees are to be installed surrounding the new water tank that will serve the residential property in the CFD.

"Native Plant Establishment" means as of July 1st of the Fiscal Year then commencing, that a Native Plant Area requires maintenance and/or irrigation because it cannot survive on annual rainfall as determined by the MRCA, anticipated to be for the first 10 years.

"Parcel(s)" means a lot or parcel within the CFD shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number valid as of July 1st for the Fiscal Year for which the Special Tax is being levied.

"Public Property" means all Parcels which, as of June 1st preceding the Fiscal Year in which the Special Tax is being levied, are (i) used for rights-of-way or any other purpose and is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State, the County, City or any other public agency, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

"Residential Property" means all Parcels of Developed Property for which a Building Permit has been issued permitting the construction of one or more residential Dwelling Units.

"Special Tax(es)" means the Special Tax A or Special Tax B to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D.

"Special Tax A" means the Special Tax to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D to fund the Special Tax A Requirement.

"Special Tax A Requirement" means the amount required in any Fiscal Year for the CFD

to: (i) provide the Special Tax A Services; (ii) pay for 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.

"Special Tax A Services" means the maintenance, servicing, restoration, protection, and preservation of open space, parkland, wildlife corridors, natural habitats, lands, waters, and facilities owned or managed by the MRCA within the Santa Susana Mountains; and administrative or incidental expenses thereto. The Services include, but are not limited to, park ranger safety and security services, and the collection and accumulation of reserves for the aforementioned purposes. The CFD shall finance Services only to the extent that they are in addition to those provided in the territory of the CFD before the CFD was created and such Services may not supplant services already available within the CFD when the CFD was created.

"Special Tax B" means the special tax to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D.

"Special Tax B Requirement" means the amount required in any Fiscal Year for the CFD to: (i) provide the Special Tax B Services; (ii) pay for 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.

"Special Tax B Services" means the maintenance of the Native Plant Area during Native Plant Establishment, which maintenance may include, but is not limited to, drainage maintenance, tree maintenance, irrigation system maintenance, pest control, plant replacement, plant inspection and monitoring, all related repair/replacement costs, and all appurtenant costs related thereto.

"State" means the State of California.

"Taxable Property" means all Parcels not classified as Exempt Property.

"Undeveloped Property" means all Parcels of Taxable Property not classified as Developed Property.

B. CLASSIFICATION OF TAXABLE PROPERTY

Each Fiscal Year, commencing with Fiscal Year 2018-2019, all Taxable Property shall be classified as either Developed Property or Undeveloped Property and shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C. and D.

C. MAXIMUM SPECIAL TAX RATES

1. Developed Property and Undeveloped Property

The Maximum Special Tax A and the Maximum Special Tax B that may be levied on each Parcel classified as Developed Property or Undeveloped Property shall be determined by reference to table 1 below. The Maximum Special Tax is subject to annual increases pursuant to Section C.1. (a) below,

Maximum Special Tax A Per Parcel	Maximum Special Tax B Per Parcel
\$304.00	80.47

(a) Increase in the Maximum Special Tax

The Maximum Special Tax A and Maximum Special Tax B, identified in Table 1 above, shall be increased each July 1st, commencing July 1, 2019, based on the percentage increase in the Consumer Price Index with a maximum annual increase of three percent (3%) and a minimum annual increase of one percent (1%) of such Maximum Special Tax in effect in the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

1. Special Tax A

Commencing with Fiscal Year 2018-2019 and for each following Fiscal Year, the Administrator shall levy the Special Tax A on all Taxable Property until the amount of Special Tax A equals the Special Tax A Requirement in accordance with the following steps:

First: The Special Tax A shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax A as needed to satisfy the Special Tax A Requirement;

Second: If additional moneys are needed to satisfy the Special Tax A Requirement after the first step has been completed, the Special Tax A shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax A for Undeveloped Property.

2. Special Tax B

Commencing with Fiscal Year 2018-2019 and for each following Fiscal Year, the Administrator shall levy the Special Tax B on all Taxable Property until the amount of Special Tax B equals the Special Tax B Requirement in accordance with the following steps:

First: The Special Tax B shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the Maximum Special Tax B applicable to such Parcel as needed to satisfy the Special Tax B Requirement;

Second: If additional moneys are needed to satisfy the Special Tax B Requirement after the first step has been completed, the Special Tax B shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax B applicable to such Parcel;

Notwithstanding the above, under no circumstances will the Special Taxes levied in any Fiscal Year against any Parcel of Residential Property for which a Certificate of Occupancy has been issued be increased by more than ten percent (10%) as a result of a delinquency in the payment of the Special Tax applicable to any other Parcel above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

E. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the 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 CFD, and provided further that the CFD may covenant to foreclose and may actually foreclose on Parcels having delinquent Special Taxes as permitted by the Act.

F. APPEALS

Any taxpayer may file a written appeal of the Special Tax on his/her Parcel(s) with the Administrator, provided that the appellant is current in his/her payments of Special Taxes. During pendency of an appeal, all Special Taxes must be paid on or before the payment due date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The Administrator shall review the appeal, meet with the appellant if the Administrator deems necessary, and advise the appellant of its determination. If the Administrator agrees with the appellant, the Administrator shall grant a credit to eliminate or reduce future Special Taxes on the appellant's Parcel(s). No refunds of previously paid Special Taxes shall be made.

The Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual levy and administration of the Special Tax and any taxpayer who appeals, as herein specified.

G. TERM OF THE SPECIAL TAX

The Special Tax A shall be levied annually in perpetuity as needed to fund the Special Tax

A Requirement unless terminated earlier by the MRCA. The Special Tax B shall be levied annually as needed to satisfy the Special Tax B Requirement in accordance with this Rate and Method of Apportionment. If the Special Tax A and/or Special Tax B is terminated, the MRCA shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased.

H. **PREPAYMENT OF SPECIAL TAX**

Prepayment of Special Tax A and Special Tax B are not authorized.