

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY

May 2, 2018 — Agenda Item XIV

Resolution No. 18-68

RESOLUTION OF THE GOVERNING BOARD OF THE MOUNTAINS RECREATION AND CONSERVATION AUTHORITY TO FORM COMMUNITY FACILITIES DISTRICT 2018-1 (SANTA SUSANA MOUNTAINS)

RESOLVED by the Governing Board (the "Board") of the Mountains Recreation and Conservation Authority (the "Authority"), County of Los Angeles, State of California, that:

WHEREAS, on March 7, 2018, the Board adopted Resolution No. 18-50 entitled "Resolution of the Governing Board of Directors of the Mountains Recreation and Conservation Authority Declaring Intention to Establish a Community Facilities District", and on May 2, 2018 the Board adopted Resolution No. 18-66 entitled "Resolution of the Governing Board of Directors of the Mountains Recreation and Conservation Authority Modifying Resolution Declaring Intention to Establish Community Facilities District 2018-1 (Santa Susana Mountains) and Approving Amended and Restated Description of Services and Rate and Method of Apportionment" (as amended, the "Resolution of Intention") with respect to Community Facilities District No. 2018-1 (Santa Susana Mountains) (the "CFD") of the Authority pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the Resolution of Intention incorporates a map of the proposed boundaries of the CFD, states the services to be provided, the cost of providing such services and the rate and method of apportionment of the special tax to be levied within the CFD, and is on file with the Secretary to the Board (the "Board Secretary") and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, the services to be provided as stated in the Resolution of Intention are set forth in Exhibit A attached hereto and hereby made a part hereof; and

WHEREAS, notice of a public hearing relating to the establishment of the CFD, the extent of the CFD, the financing of certain types of services and all other related matters has been given, and a Public Hearing Report, as ordered by this Board, has been presented to this Board and has been made a part of the record of the hearing to establish such CFD, all pursuant to the Act and the Resolution of Intention relating to the proposed formation of the CFD; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the services to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and

WHEREAS, written protests with respect to the formation of the CFD, the furnishing of specified types of services and the rate and method of apportionment of the special taxes have not been filed with the Board Secretary by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or property owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the proposed special tax; and

WHEREAS, the special tax proposed to be levied in the CFD to pay for the proposed services to be provided therein has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or the owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the special tax.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. Recitals Correct. The foregoing recitals are true and correct.
2. No Majority Protest. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to Section 53324 of the Act.
3. Prior Proceedings Valid. All prior proceedings taken by this Board in connection with the establishment of the CFD and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.
4. Name of CFD. The community facilities district designated "Community Facilities District No. 2018-1 (Santa Susana Mountains)" of the Authority is hereby established pursuant to the Act.
5. Boundaries of CFD. The boundaries of the CFD are as set forth in the map of the CFD heretofore recorded in the Los Angeles County Recorder's Office as follows: Document Number 20180250660 Book 194 of Maps of Assessment and Community Facilities Districts at Page 75.
6. Description of Services. The type of services proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as services (the "Services") in Exhibit A hereto and by this reference incorporated herein.
7. Public Hearing Report. The Public Hearing Report, as now submitted, shall stand as the Public Hearing Report for all future proceedings and all terms and contents are approved as set forth therein.

8. Special Tax.
 - a. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all nonexempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this Board.
 - b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit B attached hereto and by this reference incorporated herein.
9. Responsible Official. The Executive Officer, located at Los Angeles River Center and Gardens, 570 West Avenue 26, Suite 100, Los Angeles 90065, telephone number 323-221-9944 extension 110, or his or her designee, will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.
10. Special Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the Authority ceases.
11. Election. Pursuant to the provisions of the Act, the proposition of the levy of the special tax specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Board.
12. Effective Date. This Resolution shall take effect upon its adoption.

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Chair

AYES:

NOS:

ABSTAIN:

ABSENT:

I HEREBY CERTIFY that the foregoing resolution was adopted at a regular meeting of the Governing Board of the Mountains Recreation and Conservation Authority, duly noticed and held according to law, on the 2nd day of May, 2018.

Date:

Executive Officer

EXHIBIT A

AMENDED DESCRIPTION OF SERVICES TO BE FINANCED BY THE CFD

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

The services and facilities described below are proposed to be financed by Community Facilities District No. 2018-1 (the "CFD") of the Mountain Recreation and Conservation Authority (the "MRCA"):

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 B

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.

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"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.

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"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 the 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.

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"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.

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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:

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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

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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.