

**CITY OF FRESNO
COMMUNITY FACILITIES DISTRICT NO. 9
GOALS AND POLICIES
(COMMERCIAL, INDUSTRIAL AND MULTIPLE FAMILY SUBDIVISIONS)**

I. PURPOSE

The purpose of these goals and policies (the "Policies") is to provide guidance and conditions for the initiation, formation of, and annexation into Community Facilities District 9 (CFD 9) under the City of Fresno Financing Law, Chapter 8, Division 1, Article 3, of the Fresno Municipal Code ("City Law".)

The Policies are intended to be supplementary to, comply with, and shall be controlled by City Law, the Mello Roos Act as incorporated into the City Law, and the CFD 9 formation/annexation documents and instruments.

II. DEFINITIONS

Where used in these Policies, the following capitalized terms have the following meanings:

Applicant shall mean, in the singular or plural, any person(s), firm(s) or corporation(s) that files a petition for the formation of or annexation into CFD 9.

CIMF shall mean commercial, industrial and multiple family subdivisions in the City of Fresno.

City shall mean the City of Fresno, California.

City Law shall mean the City of Fresno Special Tax Financing Law, Chapter 8, Division 1, Article 3 of the Fresno Municipal Code

Commercial shall mean any parcel of land zoned for commercial uses.

District shall mean CFD 9.

Industrial shall mean any parcel of land zoned for industrial uses.

Maintenance or Service District shall mean a non-bonded community facilities district in which the City performs maintenance services for landowners within the City of Fresno.

Mello-Roos Act shall mean the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 of Division 2, Part 1, of Title 5 of the California Government Code, " 53311 et seq.).

Multi-Family shall mean any parcel of land zoned for residential use with a density higher than single family residence.

Reserve for Replacement shall mean a reasonable reserve pursuant to Fresno Municipal Code 8-1-303 (e) (4), as a maintenance service cost or expense and not as payment for public facilities under Government Code Section 53321(d).

Subdivision shall mean any new or existing legal division of land and shall also include any development or project created by a document that permits construction of a commercial, industrial or multi-family project including but not limited to, Final Tract Maps, Final Parcel Maps, Conditional Use Permits and Site Plans.

III. ELIGIBLE FEATURES AND SERVICES

CFD 9 is to provide services for public improvements/areas that may benefit not only a particular subdivision, but also the City and the public at large, that serve a public purpose, and that are constructed or installed on public property or dedicated rights-of-way or easements.

CFD 9 is to provide maintenance to certain regulatorily required public improvements located within and adjacent to public streets on the perimeter CIMF subdivisions. CFD 9 is not to provide maintenance services for features located outside of City street easements with the following exceptions:

- Required public trail easements
- Landscaping easements located between required sound walls and adjacent City streets

The improvements eligible for CFD 9 maintenance services include:

- Landscaping and irrigation systems
- Street trees
- Median island hardscaping
- Local City street sidewalks, curbs and gutters, curbs, valley gutters, street paving and street lights.
- Official City trails designated by the City General Plan
- Trail amenities consisting of benches, drinking fountains, trash receptacles and City required fencing and low voltage lighting.

CFD 9 shall not provide maintenance for internal features located in easements, outlots, open spaces, parks and "private" trails except as provided above.

CFD 9 shall not provide maintenance for driveway approaches.

CFD 9 shall not construct new improvements or purchase existing improvements.

IV. PRIORITY OF SERVICES

Health and safety services including, but not limited to, maintenance of streets, street lights and right-of-way, take precedence over landscaping and hardscaping.

V. DISCLOSURE TO PROPERTY OWNERS AND PURCHASERS

Prior to CFD 9 proceedings for formation or annexation, the applicant or property owners shall demonstrate to the City's satisfaction that there will be full disclosure of any special tax levied pursuant to City Law and the Mello-Roos Act and these Policies to ensure that existing and future property owners are fully informed of their obligations under CFD 9. Disclosure must be made to both existing property owners and prospective property purchasers, including interim purchasers, developers and prospective tenants. At a minimum, the applicant must ensure that all disclosures mandated by applicable City and State law will be made. For residential property, such disclosure shall include written notification signed by the prospective home buyer prior to a home purchase, as well as any other methods required by the City to ensure notification to subsequent home buyers.

VI. PROPERTY OWNER OR VOTER SUPPORT

The applicant shall submit, as attachments to the application, petitions in the form required by City Law requesting institution of proceedings for the establishment of, or annexation into CFD 9, signed by not less than 10 percent of the registered voters residing within the boundaries of the proposed district or by the owners of not less than 10 percent of the area of land to be included within the proposed district. Petition forms will be provided by the City.

VII. TAX ALLOCATION FORMULA; AMOUNT OF SPECIAL TAX

Prior to CFD 9 formation or annexation, the City shall determine that the special tax rate, allocation, and method of collection for each category of taxable property and that the required and maximum amount of the special tax is fair, reasonable and equitable. The normal determination for residential Subdivisions is an equal benefit per residential unit. The normal determination for commercial and industrial subdivision is a proportionate benefit based on the square footage of each taxable parcel in relation to the total taxable area exclusive of public right of way.

The criteria for making this determination for non-residential portions of subdivisions may include, without limitation, the demand for the public improvements by different categories of property; the existing and proposed uses of different categories of property; and the overall economic benefit to the property and the City as a whole that will result from the public improvements.

The amount of the special tax levied may never surpass the lesser of the maximum special tax or the annual costs of maintenance services to be provided.

The reserve of replacement requirement generally shall be computed either as a percentage of the annual maintenance cost, or as the replacement cost amortized over estimated life, as appropriate to the district improvement(s) in issue, determined in the reasonable discretion of the District Engineer/designee(s).

VIII. COSTS AND REIMBURSEMENTS FOR DISTRICT FORMATION /ANNEXATION

All City and professional service costs incurred in the evaluation of an application for and in formation of or annexation to CFD 9 will be paid by the applicant from advance deposit(s) or as part of a subdivision agreement, at the City's discretion. In any event, the applicant shall reimburse the City for all incidental expenses incurred in processing the formation of or annexation into CFD 9.

IX. MAINTENANCE DEPOSITS AND REFUNDS FOR DISTRICT MAINTENANCE COSTS; DUE AT FORMATION /ANNEXATION

The costs of maintenance of all CFD 9 maintained improvements from the time of acceptance to when the City can place the cost on the tax roll will be paid by the applicant from a deposit either directly from the applicant or as part of a subdivision agreement. The deposit will consist of the estimated costs of one year of maintenance services, determined in the reasonable discretion of the District Engineer/designee(s).

The City will refund to the applicant or its designated successor/assignee any unexpended and uncommitted portion of deposit(s) based on the following:

- The City shall use deposit monies for CFD 9 costs including maintenance of CFD 9 improvements as required, at the rates in effect at that time, from the date of acceptance by the City until the end of the district fiscal year (as defined in the district formation/annexation proceedings.) Any deposit remaining shall be refunded quarterly and shall include an accounting in support of the amount of refund. Any shortfall of deposit money in relation to costs incurred shall be paid by the applicant within 30 days of City's written notice, which notice shall include an accounting in support of the amount sought.

X. PREPAYMENT OF SPECIAL TAX

CFD 9, a maintenance service district, has ongoing annual costs that require a year to year levy with no payoff date foreseeable. Therefore, prepayment of the CFD 9 special tax obligation is not possible and is not offered.

XI. PROFESSIONAL SERVICES

Selection of professional services needed for the formation, annexation, or administration of CFD 9 shall be determined in the reasonable discretion of the City.

XII. CREDIT RATING AND APPRAISAL REQUIREMENTS FOR BOND ISSUANCE

CFD 9 shall not build or purchase improvements and shall not issue bonds. Therefore, there are no credit rating and appraisal requirements.

XIII. AMENDMENTS

The City Council may amend these Policies from time to time as necessary to respond to changes in financing conditions, economic conditions or applicable law, in the manner and the extent allowed by law. These Policies are not intended to create or constitute any vested or property right, whatsoever.