

**CITY COUNCIL  
CITY OF HUGHSON  
RESOLUTION NO. 2023-08**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON FOR THE  
FORMATION OF A COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX  
THEREIN FOR THE CITY OF HUGHSON PUBLIC SAFETY AND MAINTENANCE  
SERVICES COMMUNITY FACILITIES DISTRICT**

**WHEREAS**, on December 12, 2022, the City Council (the "City Council") adopted Resolution No. 2022-63 "Resolution of Intent to Establish the City of Hughson Public Safety and Maintenance Services Community Facilities District" ("the "CFD") and to Levy a Special Tax Therein" (the "Resolution of Intention"), pursuant to the Mello-Roos Community Facilities Act of 1982, 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 authorized services (the "Authorized Services") proposed to be provided and the Method of Apportionment of the Special Tax to be levied within the CFD to pay the cost of providing such Authorized Services, and is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

**WHEREAS**, the Authorized 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**, the City Council noticed a public hearing to be held on January 23, 2023, pursuant to the Act and the Resolution of Intention, relating to the proposed formation of the CFD; and

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

**WHEREAS**, at the public hearing, evidence was presented to this Council on said matters before it, including a CFD Report (the "Report") as to the Authorized Services to be provided in the CFD and the costs thereof and incidental expenses related thereto, a copy of which is on file with the City Clerk, and the City Council, at the conclusion of said hearing, is fully advised in the premises; and

**WHEREAS**, written protests with respect to the formation of the CFD, the furnishing of specified types of Authorized Services and the rate and method of apportionment of the special taxes have not been filed with the City Clerk by fifty percent or more of the registered voters residing within the territory of the CFD or property owners of one-half 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 or more of the registered voters residing within the territory of the CFD or the owners of one-half or more

of the area of land within the CFD and not exempt from the special tax;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Hughson does hereby declare, determine, and order as follows:

SECTION 1.            Recitals Correct.

The foregoing recitals are true and correct.

SECTION 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.

SECTION 3.            Name of CFD.

The Community Facilities District, designated as 'Resolution of Intent to Establish the City of Hughson Public Safety and Maintenance Services Community Facilities District ', is hereby established pursuant to the Act.

SECTION 4.            Boundaries of CFD.

The boundaries of the CFD are as set forth in the map of the CFD heretofore recorded in the Stanislaus County Recorder's Office on January 5, 2023, in Volume 6 of Maps of Assessment Districts and Community Facilities Districts at Page 74, Stanislaus County Recorder.

SECTION 5.            Description of Services.

The type of Authorized Services proposed to be financed by the CFD, and pursuant to the Act, shall consist of those items listed as the Services in Exhibit A, attached hereto, and by this reference are incorporated herein.

SECTION 6.            Special Tax.

- (a) Except to the extent that funds are otherwise available to the CFD to pay for the Authorized Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt 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 Council.
- (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 are incorporated herein.

SECTION 7.            Increased Demands.

It is hereby found and determined that the Services are necessary to meet increased demands placed upon local agencies as the result of development occurring within the area of the CFD. The Authorized Services are in addition to those provided in the territory of the CFD before the CFD was created and are additional services which do not supplant services already available within such territory at this time.

SECTION 8.            Responsible Official.

The City Council of the City of Hughson designates the firm of Harris & Associates ("Harris") as the responsible party for preparing an annual roll of special tax levy obligations, by assessor's parcel number, estimating future Special Tax levies, and for establishing procedures to promptly respond to inquiries regarding estimates of future Special Tax levies by property owners or other interested parties.

SECTION 9.            Tax Lien.

The Special Tax will be collected and enforced as a separate line item on the regular property tax bill. The City Council however, reserves the right, under Government Code Section 53340, to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing.

SECTION 10.          Election.

Pursuant to the provisions of the Act, and the proposition of the levy of the Special Tax, there 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 Council. The qualified electors for the election to be held in these proceedings shall be the landowners owning land within the District. The City Council will conduct the election by mailed ballot and hereby designates the City Clerk as the official to conduct the mailed-ballot election.

SECTION 11.          Prior Proceedings Valid.

The City Council now finds and determines that all proceedings up to and including the adoption of this Resolution were and are valid and in conformity with the requirements of the Act. This determination and finding is final and conclusive in accordance with Government Code Section 53325.1.

SECTION 12.          Effectiveness.

This Resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** by the City Council of the City of Hughson at its regularly scheduled meeting on this 23rd day of January, 2023 by the following roll call vote:

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»  
»

**AYES: MAYOR PRO TEM BAWANAN, CROOKER, RUSH, STRAIN**

**NOES: NONE.**

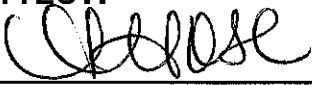
**ABSTENTIONS: NONE.**

**ABSENT: MAYOR CARR**

**APPROVED:**

  
\_\_\_\_\_  
**GEORGE CARR, Mayor**

**ATTEST:**

  
\_\_\_\_\_  
**ASHTON GOSE, City Clerk**

## EXHIBIT A

### CITY OF HUGHSON PUBLIC SAFETY AND MAINTENANCE SERVICES COMMUNITY FACILITIES DISTRICT

#### RATE AND METHOD OF APPORTIONMENT

A Special Tax applicable to each Assessor Parcel in the City of Hughson Public Safety and Maintenance Services Community Facilities District shall be levied and collected according to the tax liability determined by the City of Hughson or its designee, through the application of this rate and method of apportionment of Special Tax. All of the property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless otherwise provided for the annexed property.

#### SECTION A – DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** means the land area of an Assessor Parcel as shown on the County records, such as an Assessor’s Parcel map, secured roll data, geographic information systems (“GIS”), or if the land area is not shown on an Assessor Parcel map, the land area shown on the applicable final subdivision map, condominium plan, record of survey or other recorded document creating or describing the parcel, or other parcel map recorded at the County Recorder’s Office. If the preceding maps for the land area are not available, the acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor’s Parcel is equal to the acreage multiplied by 43,560 (square feet in one acre).

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

**“Administrative Expenses”** means the actual or estimated reasonable costs incurred by the City acting for or on behalf of the CFD as administrator thereof to determine, levy and collect the Special Taxes in responding to public inquiries regarding the Special Taxes, including salaries of City employees and a proportionate amount of the City’s general administrative overhead related thereto; the fees of consultants and legal counsel providing services to the administration of the CFD, any amounts estimated or advanced by the City or CFD for any administrative purpose, and any other costs required to administer the CFD as determined by the City.

**“Assessor’s Parcel”** means a lot or parcel with an assigned County Assessor’s Parcel number, as show on a County Assessor’s Parcel Map.

**“Assessor’s Parcel Map”** means an official map of the Assessor of the County of Stanislaus, designating parcels by Assessor’s Parcel number.

**“Annual Special Tax Escalation”** means an allowable annual increase in the Maximum Special Tax following the Base Year, in an amount not to exceed the annual increase CPI for the month of February. See detailed description of CPI below, under “Consumer Price Index for All Urban Consumers”

**“Authorized Services”** means those authorized maintenance activities or services and expenses that may be funded by the CFD, pursuant to the Act, as amended, including, without limitation, those services authorized to be funded by the CFD, as set forth in the documents adopted by the City Council at the time the CFD was formed.

**“Base Year”** means Fiscal Year 2023/2024.

**“Capital Replacement Reserve Fund”** means a fund that shall be maintained for the CFD for each fiscal year, to provide for the accumulation and holding of funds for long-term capital projects, asset replacement, or other large anticipated expenditures.

**“CFD”** City of Hughson Public Safety and Maintenance Services Community Facilities District.

**“CFD Administrator”** shall mean the person or firm designated by the City to administer the Special Tax according to the Rate and Method of Apportionment.

**“City”** means the City of Hughson.

**“City Council”** means the City Council of the City of Hughson, acting as the legislative body of the CFD.

**“Condominium Property”** means any Developed Property for which a building permit was issued for construction of a residential structure consisting of two or more Units that share common walls and are offered for sale to the general public, including such structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

**“Consumer Price Index for All Urban Consumers or “CPI”** means the applicable CPI as set forth by the United States Department of Labor, Bureau of Labor Statistics for February of the preceding fiscal year. In the event that this rate is no longer published or provided, the CFD administrator shall choose a comparable rate to use in its place.

**“County”** means Stanislaus County.

**“Developed Property”** means, in any fiscal year, all parcels of Taxable Property in the CFD for which a building permit for new construction was issued by June 30 of the preceding fiscal year.

**“Exempt Property”** means all parcels that are exempt from the Special Tax, pursuant to Law or Section E herein.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Maximum Special Tax”** means the maximum Special Tax determined in accordance with

Section D below that can be levied on Taxable Property in any fiscal year.

**“Multi-Family Residential Property”** means any parcel of Developed Property for which a building permit was issued for construction of a residential structure with two or more units that are offered for rent to the general public, and that share common walls, including but not limited to, apartments, and residential property that is not for sale to an end user and is under common management.

**“Non-Residential Property”** means any parcel of taxable Developed Property within the CFD that is not a Multi-Family Residential Property, Single Family Residential Property or Condominium Property.

**“Operating Reserve Fund”** means a fund that shall be maintained for the CFD for each fiscal year, to provide necessary cash flow for the first six months of each fiscal year, working capital to cover monitoring, maintenance and repair cost over-runs and delinquencies in the payment of Special Taxes, and a reasonable buffer to prevent large variations in annual Special Tax levies.

**“Proportionately”** means, for Developed Property, that the ratio of the actual Special Tax levied in any fiscal year to the Maximum Special Tax authorized to be levied in that fiscal year is equal for all Assessor Parcels of Developed Property.

**“Public Property”** means any property within the CFD owned by the United States of America, the State of California, the County, the City, or other public agencies.

**“Rate and Method”** means the rate and method of apportionment of Special Tax as described herein.

**“Services”** means the services authorized to be financed, in whole or in part, by the Special Taxes levied in the CFD.

**“Single Family Residential Property”** means any Developed Property for which a building permit was issued for construction of a Unit without a common wall with another Unit.

**“Special Tax”** means any tax levied in the CFD to fund the Special Tax Requirement, pursuant to this Rate and Method of Apportionment.

**“Special Tax Requirement”** means the amount of revenue needed in any fiscal year to pay for the following: (i) Authorized Services, (ii) administrative expenses, (iii) establish or replenish the Operating Reserve Fund, (iv) establish or replenish the Capital Replacement Reserve Fund, (v) amount needed to cure any delinquencies in the payment of Special Taxes.

**“Taxable Property”** means any Assessor Parcel within the CFD which is not exempt from the Special Tax pursuant to applicable law or Section F below.

**“Undeveloped Property”** means, in any fiscal year, all parcels of Taxable Property in the CFD for which a building permit for new construction was not issued by June 1 of the

preceding fiscal year.

“Unit” means an individual single-family detached unit, or an individual attached residential unit within a duplex, triplex, four-plex, townhome, condominium, or apartment structure.

## **SECTION B – DATA COLLECTION FOR ANNUAL TAX LEVY**

On or about July 1 of each fiscal year, the Administrator shall identify the current Assessor Parcel numbers of all Taxable Property. The Administrator shall also determine: (i) whether each Assessor Parcel is Developed Property; (ii) for Developed Property, which Assessor Parcels are Single Family Residential Property, Multi-Family Residential Property, Condominium Property or Non-Residential Property, and (iii) the Special Tax Requirement.

## **SECTION C – MAXIMUM SPECIAL TAX**

### **1. Special Tax Rates**

Table 1 below identifies the Base Year Special Tax rates for all Taxable Property within the CFD.

**TABLE 1**  
MAXIMUM SPECIAL TAXES FISCAL YEAR 2023/2024

<b>Taxable Property Type</b>	<b>Maximum Special Tax Fiscal Year 2023/2024</b>
Single Family Residential	\$974.06 per Unit (1.00 EU)

### **2. Special Tax Increases**

The Maximum Special Tax Rate established in the Base Year shall be adjusted annually by the Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers (“CPI”), for the month of February, for the San Francisco/Oakland/San Jose area.

## **SECTION D – METHOD OF APPORTIONMENT OF SPECIAL TAX LEVY**

Commencing with Fiscal Year 2023/2024 and for each subsequent fiscal year, the CFD Administrator shall levy the special tax at the rates established in Section C, on all Taxable Property in the CFD until the total amount of the Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each fiscal year as follows:

1. The Special Tax shall be levied on each Assessor’s Parcel of Developed Property within the CFD up to one hundred percent (100%) of the Applicable Maximum Special Tax.
2. If additional monies are needed to satisfy the Special Tax Requirement, after Developed Property has been levied at 100% of their Maximum Special Tax, the



remaining amount needed to satisfy the Special Tax Requirement shall be levied proportionately on each Assessor's Parcel of Undeveloped Property, at up to 100% of the Maximum Special tax on Undeveloped Property.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property be increased because of delinquency or default by the owner of any other Assessor's Parcel within the CFD, by more than 10% above what such Special Tax would have been in the absence of delinquencies.

## **SECTION E – COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the CFD may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations, specifically through a direct billing.

A Special Tax shall continue to be levied and collected within the CFD to fund the annual Special Tax Requirement in perpetuity, so long as the Authorized Services are being provided

## **SECTION F – EXEMPTIONS**

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

## **SECTION G – PREPAYMENT OF SPECIAL TAX:**

The Special Tax may not be prepaid and shall continue to be levied in accordance with Section D of this Rate and Method of Apportionment on an annual basis on all taxable property in the CFD for the purpose of funding ongoing Authorized Services.

## **SECTION H – INTERPRETATIONS**

The CFD Administrator may make interpretations. If necessary, interpretations may be made by the City Council, by Ordinance or Resolution, for purposes of clarifying any vagueness or ambiguity as it relates to this Rate and Method of Apportionment.

## **SECTION I – REPEAL OF SPECIAL TAX**

If the levy of the Special Tax is repealed by initiative or any other action participated in by the property owners of the Assessor's Parcels in the CFD, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the Authorized Services for which the Special Tax was levied. The obligation to provide the Authorized Services previously funded by the repealed Special Tax shall become the joint obligation of the property owners of Assessor's Parcels within the CFD.

## **SECTION J – APPEALS**

The CFD Administrator may establish such procedures, as it deems necessary, to undertake

the review of any appeal. The CFD Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner who feels that the amount of the Special Tax levied on the Assessor's Parcel is in error, shall first consult with the CFD Administrator regarding such error. If, following such consultation the CFD Administrator determines that an error has occurred, the CFD Administrator, in consultation with the City Community Services Director, shall take any of the following actions to correct the error:

- Amend the Special Tax levied on the property owner's Assessor's Parcel(s) for the current fiscal year,
- Require the CFD to reimburse the property owner for the amount of any overpayment for the current fiscal year, to the extent of available CFD funds, or
- Grant a credit against, eliminate or reduce the future Special Tax(s) on the property owner's Assessor's Parcel(s) for overpayment of the current fiscal year.

If, following such consultation and action (if any by the CFD Administrator), the property owner believes an error still exists, the property owner may file a written protest with the City Community Development Director appealing the amount of the Special Tax levied on such Assessor's Parcel(s). If, following such consultation and action (if any with the City Community Development Director), the property owner believes an error still exists, the property owner may file a written protest with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel(s). If the City Community Development Director, City Council or its designee determines an error exists, the CFD Administrator shall take any action(s) as described above in order to correct the error. The decision of the City Council shall be final and binding to all persons filing a written protest.