

CITY OF YUBA CITY
STAFF REPORT

Date: May 17, 2022
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation By: Ben Moody, Public Works & Development Services Director

Summary

Subject: Domain Estates Phase 3 (Annexation #2 of property in CFD 2021-1)
Recommendation: Adopt a Resolution annexing a certain area, Domain Estates Phase 3, within the City Limits into an existing Community Facilities District (CFD No. 2021-1) to fund municipal services, and filing said Resolution, along with the First Amendment to the Notice of Special Tax Lien, in the office of County Recorder of the County of Sutter
Fiscal Impact: This CFD will provide \$485.80 per single family unit, with provisions for inflation factor increases

Purpose:

To ensure new residential development pays for its impact on City services through a Community Facilities District (CFD).

Council's Strategic Goals:

This item addresses the City Council's Strategic Goal of operating government in a fiscally responsible and responsive manner.

Background:

The City's adopted Policy and Conditions of Approval for new residential development include a requirement that the development pay for operations and/or maintenance for police, fire, parks, drainage, and ongoing street maintenance costs. On January 27, 2021, the Planning Commission approved Tentative Map SM 20-05, Domain Estates Phase 3, to subdivide a 4.11-acre parcel into 13 single family residential parcels located west of Blevin Road, and north of Janice Way. Planning Commission Condition of Approval No. 27 contains the requirement to pay for operations and/or maintenance for police, fire, parks, drainage, and ongoing street maintenance costs.

The Mello-Roos Community Facilities Act of 1982 (Act) provides a mechanism for cities to form CFDs in order to finance the provision of certain municipal services. The types of services that may be provided by a CFD are as follows:

1. Police

2. Fire
3. Recreation and Library
4. Maintenance of parks, parkways and open space
5. Maintenance of Roadways
6. Flood and storm protection services
7. Hazardous substance removal or remediation

On May 18, 2021, Council adopted Resolution 21-047 establishing policies related to CFDs for services. At this same meeting, Council adopted Resolution 21-048 stating its intention to establish City of Yuba City Community Facilities District 2021-1 (Municipal Services) (CFD 2021-1), authorize the levy of a special tax within the district, and authorize the annexation of future territory into the future annexation area by unanimous written approval.

On July 6, 2021, Council voted the Initial Property (Dunn Ranch Estates – Unit 1 Subdivision at the southeast corner of Royo Ranchero Drive and Monroe Drive) to be part of CFD 2021-1 and subject to the special taxes therein. Council also voted to include a Future Annexation Area. The Future Annexation Area consists of several undeveloped, residential zoned properties generally in the western and southern Yuba City Urbanized Area. The Future Annexation Area allows new property owners to annex to the district by unanimous written consent, which streamlines the CFD annexation process.

Analysis:

The Developer of Domain Estates Phase 3 has executed an Unanimous Approval of Annexation to a Community Facilities District (CFD 2021-1) to satisfy this condition. Domain Estates Phase 3 will be the second property to annex to CFD 2021-1 (Annexation No. 2), and will be subject to the special taxes therein.

In Resolution 21-048, Council directed the preparation of the Report for CFD 2021-1 to show the services to be provided in CFD 2021-1. The Hearing Report for CFD 2021-1 follows the same methodology used in the formation of CFD 2017-1, which initially established a maximum levy of \$425 annually per single family residential unit with an escalation factor equal to the percentage escalation of the City's combined Police and Fire Department budgets, up to a maximum escalation of 4 percent. The current levy in fiscal year 2021/22 is \$485.80 annually per single family residential unit and \$354.35 annually per multi-family residential unit, which will be subject to future escalation in accordance with the rate and method of apportionment of the special tax.

A Notice of Special Tax Lien is to be recorded concurrently with the boundary map (Annexation No. 2 – Domain Estates Phase 3) in the Office of the County Recorder for the County of Sutter, State of California. The lien of the Special Tax is a continuing lien which shall secure each annual levy of the Special Tax within the area of Annexation No. 2 (Domain Estates Phase 3).

Fiscal Impact:

A total of 13 residential parcels are contained in Domain Estates Phase 3 resulting in a total current annual levy of \$6,315.40, based on fiscal year 2021/22 rates.

The developer is responsible for covering the costs of annexing to the CFD.

Alternatives:

Do not adopt a Resolution annexing Domain Estates Phase 3 into CFD No. 2021-1 to fund Municipal Services, and direct staff on other acceptable means of assuring this development contributes its fair share of impact to services.

Recommendation:

Adopt a Resolution annexing a certain area, Domain Estates Phase 3, within the City Limits into an existing Community Facilities District (CFD No. 2021-1) to fund municipal services, and filing said Resolution, along with the First Amendment to the Notice of Special Tax Lien, in the office of County Recorder of the County of Sutter.

Attachments:

1. Resolution - Domain Estates Phase 3 (Annexation #1 of property in CFD 2021-1)
2. First Amendment to Notice of Special Tax Lien - Domain Estates Phase 3 (Annexation #1 of property in CFD 2021-1)

Prepared By:

Kevin Bradford
Deputy Public Works Director – Engineering

Submitted By:

Diana Langley
City Manager

ATTACHMENT 1

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY IN ITS CAPACITY AS THE LEGISLATIVE BODY OF THE CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT NO. 2021-1 (MUNICIPAL SERVICES) APPROVING ANNEXATION NO. 2 (DOMAIN ESTATES PHASE 3) TO SAID DISTRICT RELATING TO THE PROPERTY LOCATED WEST OF BLEVIN ROAD, AND NORTH OF JANICE WAY WITHIN THE FUTURE ANNEXATION AREA

WHEREAS, on May 18, 2021, this City Council adopted a resolution entitled “A Resolution Of The City Council Of The City Of Yuba City Declaring Its Intention To Establish Yuba City Community Facilities District No. 2021-1 (Municipal Services), To Authorize The Levy Of A Special Tax Therein To Finance Certain Services And To Authorize The Annexation Of Future Territory In The Future Annexation Area To The District By Unanimous Written Approval” (the “Resolution of Intention”), stating its intention to form Yuba City Community Facilities District No. 2021-1 (Municipal Services) (the “CFD”), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”) and a future annexation area to the CFD (“Future Annexation Area”);

WHEREAS, the Resolution of Intention, setting forth a description of the proposed boundaries of the CFD and Future Annexation Area, services to be financed by the CFD (“Services”) and Future Annexation Area, including incidental expenses, and the rate and method of apportionment (the “Rate and Method”) of the special tax (the “Special Tax”) to be levied within the CFD to pay for the Services, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

WHEREAS, the Resolution of Intention set July 6, 2021, as the date for the joint public hearing on the establishment of the CFD, the extent of the CFD, the Future Annexation Area, the furnishing of the Services within the CFD, and the proposed Rate and Method;

WHEREAS, a notice of the public hearing to be held on July 6, 2021 was published in accordance with the Act;

WHEREAS, on July 6, 2021, this Council held noticed joint public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD and the Future Annexation Area;

WHEREAS, at the hearing all interested persons desiring to be heard for or against the establishment of the CFD, the extent of the CFD, the furnishing of the Services and the Rate and Method and the Future Annexation Area were heard and a full and fair hearing was held;

WHEREAS, at the hearing evidence was presented to this Council on such matters before it, including a special report (the “Hearing Report”) as to the Services to be provided through the CFD and the costs;

WHEREAS, following the close of the hearing, written protests with respect to the formation of the CFD, the furnishing of specified types of services and the Rate and Method had not been filed with the City Clerk 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 taxes; and

WHEREAS, following the close of the hearing, written protests with respect to the Future Annexation Area, the furnishing of specified types of services and the Rate and Method had not been filed with the City Clerk by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or Future Annexation Area or property owners of one-half (1/2) or more of the area of land within the CFD or Future Annexation Area and not exempt from the proposed special taxes; and

WHEREAS, on July 6, 2021, the City Council adopted Resolution No. 21-094, which is on file with the City Clerk and incorporated herein by this reference, that ordered the formation of the CFD and Future Annexation Area, defined the public services (the “Services”) to be provided by the CFD, authorized the levy of a special tax on property within the CFD, preliminarily established an appropriations limit for the CFD, and approved future qualifying projects the ability to voluntarily annex into the Future Annexation Area by unanimous approval of the property owners, all pursuant to the Act; and

WHEREAS, on July 6, 2021, the City Council adopted Resolution No. 21-095 that called a special election for July 6, 2021, at which the questions of levying a special tax and establishing an appropriations limit with respect to the CFD were submitted to the qualified electors within the CFD; and

WHEREAS, on July 6, 2021, the City Council adopted Resolution No. 21-096, that declared the results of the special election and finding that more than two-thirds (2/3) of all votes cast at the special election were in favor of the issue presented, and such measure passed; and

WHEREAS, on July 12, 2021 a notice of special tax lien was recorded with the Office of the County Recorder of the County of Sutter, as Document No. 2021-0012518 the “Notice of Special Tax Lien”), thereby giving notice that the lien to secure payment of the special tax was imposed on the land in the CFD; and

WHEREAS, the owner (the “Property Owner”) of the parcels listed in Exhibit A hereto and incorporated herein by this reference, located within the Future Annexation Area (the “Property”) has agreed to mitigate certain impacts of the proposed development of the Property by paying for the Services financed by the CFD; and

WHEREAS, pursuant to the Act, the Property Owner has executed a unanimous approval, attached hereto as Exhibit B and incorporated herein by this reference (the “Unanimous Approval”), constituting the Property Owner’s unanimous approval and unanimous vote in favor of the annexation of the Property to the CFD and the levy of special taxes on the Property; and

WHEREAS, the City Council now wishes to approve this Annexation No. 2 of the Property pursuant to the simplified process for annexations under Sections 53328.1, 53339.7 and/or 53339.8 of the Act and add Annexation No. 2 (Domain Estates Phase 3) as part of the CFD.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF YUBA CITY, ACTING AS LEGISLATIVE BODY OF THE CITY OF YUBA CITY COMMUNITY FACILITIES DISTRICT NO. 2021-1 (MUNICIPAL SERVICES) DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The City Council finds and determines that all the foregoing recitals are true and correct and incorporated herein.

2. Unanimous Approval. The City Council hereby receives and files the Unanimous Approval as Annexation No. 2 (Domain Estates Phase 3) to the CFD, and hereby further authorizes and directs the officers of the City to do any and all things to execute and delivery all documents they may deem necessary or advisable in order to consummate the transaction described herein and to effectuate the purpose of this Resolution.

3. Approval of Annexation. The City Council hereby determines that the Property is added to and part of the CFD with full effect and the City Council approves and confirms the Rate and Method of Apportionment of the Special Tax attached to the Unanimous Approval this reference incorporated herein. The City Council hereby finds that the Property Owner's unanimous written approval is equivalent to an election pursuant to Government Code Section 53339.7(a) of the Act. The Property is added to and part of the existing CFD with full legal effect, and the City Council shall levy any special tax within the annexed territory as specified in the Ordinance No. 005-021 adopted with respect to the CFD pursuant to Government Code Section 53340, any resolution related thereto and, as specified in the Resolution of Intention, and as specified in any other Ordinance, if any, adopted pursuant to Government Code Section 53340.

4. Consolidation of Annexed Map. The City Council hereby determines that the territory described in Exhibit C hereto, and further defined in the map entitled "Annexation Map No. 2 (Domain Estates Phase 3) of City of Yuba City Community Facilities District No. 2021-1 (Municipal Services), City of Yuba City, County of Sutter, State of California" which is on file with the City Clerk, is added to and part of the CFD with full effect. The City Clerk is hereby authorized and directed to endorse the certificates set forth on the map and to record the map in accordance with the provisions of Sections 3111, 3113 and 3113.5 of the Streets and Highways Code of the State of California.

5. Validity of Procedures. The City Council hereby finds and determines that all prior proceedings and actions taken by the City Council pursuant to the Act in connection with the formation, voluntary annexation area and annexation of territory to the CFD, including this Annexation No. 2 (Domain Estates Phase 3), were and are valid and in conformity with the Act.

6. Amendment to Notice of Special Tax Lien. The City Clerk, or designee, is hereby directed to complete, execute and cause to be recorded in the office of County Recorder of the County of Sutter, an amendment to the Notice of Special Tax Lien, in accordance with the provisions of Sections 3114.5 and 3117.5 of California Streets and Highways Code of the State of California within fifteen (15) days of the adoption of this Resolution, evidencing that the Property is added to the CFD.

7. Effective Date. The City Clerk shall certify the adoption of this Resolution. This Resolution shall take effect upon its adoption.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 17th day of May, 2022, by the following vote:

AYES:

NOES:

ABSENT:

Dave Shaw, Mayor

ATTEST

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM:

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

Exhibits:

- A. Assessor parcel Numbers and Owners of Land
- B. Unanimous Approval
 - a) Exhibit A – Description of Services
 - b) Exhibit B – Annexation No. 2, Rate and Method of Apportionment
 - c) Exhibit C – Annexation Map No. 2 of Domain Estates Phase 3

EXHIBIT B

**CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(MUNICIPAL SERVICES)**

ANNEXATION NO. 2 (DOMAIN ESTATES PHASE 3)

UNANIMOUS APPROVAL

UNANIMOUS APPROVAL
of Annexation to a Community Facilities District and Related Matters
City of Yuba City
Community Facilities District No. 2021-1
(Municipal Services)

Annexation No. 2 (Domain Estates Phase 3)

To the Honorable City Council
City of Yuba City, as legislative body of
Community Facilities District No. 2021-1
(Municipal Services)
1201 Civic Center Boulevard,
Yuba City, California 95993

Members of the City Council:

This constitutes the Unanimous Approval (the "Unanimous Approval") of Crowne Communities Domain Estates LLC, the record owner(s) (the "Property Owner") of the fee title to the real property identified below (the "Property") contemplated by Sections 53328.1 and/or 53339.3 et seq. of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to the annexation of the Property to the "City of Yuba City Community Facilities District No. 2021-1 (Municipal Services)" (the "CFD") and approval of the special taxes to be levied against the Property, and the undersigned hereby states, certifies, agrees and declares under penalty of perjury, as follows:

1. Property Owner. This Unanimous Approval is submitted by the Property Owner as the record owner(s) of fee title to the Property. The Property Owner has supplied to the City current evidence of its ownership of fee title to the Property. No parties are residing on the Property and therefore there are no registered voters on the Property.

2. Approval of Annexation. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the annexation of the Property to the CFD. The CFD was formed to finance the municipal services, which are incorporated herein by this reference (the "Services") described in Exhibit A hereto and made a part hereof. In such connection Property Owner has reviewed the list of the Services and hereby agrees, consents and approves to the Services and the Annexation of the Property to the CFD for the benefit of the City and the CFD.

3. Approval of Special Tax and the Services. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the levy of special taxes (the "Special Taxes") on the Property to finance the Services. The Special Taxes will be levied according to the Rate and Method of Apportionment of Special Taxes for the CFD attached hereto as Exhibit B and made a part hereof (the "Rate and Method"). In such connection property owner consents and approves of the Rate and Method and understands that such taxes shall be levied against the Property.

4. Approval of the Appropriations Limit. This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the appropriations limit

established for the CFD. The Property Owner hereby approves, consents and agrees to the appropriations limit for the CFD of \$1,700,000, pursuant to Article XIII B of the California Constitution, as adjusted for changes in the cost of living and changes in the population.

5. Waivers and Vote. Resolution No. 21-048 adopted by the City Council on May 18, 2021 and Resolution No. 21-094 adopted by the City Council on July 6, 2021 and Sections 53328.1 and 53339.3 of the Act provide an alternate and independent procedure for annexation to a community facilities district that simplifies the annexation process. Under such process, the Property Owner acknowledges and agrees that by executing this Unanimous Approval, the Property Owner is voluntarily waiving any and all right to an election held in accordance with Sections 53326, 53327, 53327.5, 53328, 53339.7, 53339.8 and other relevant provisions of the Act. The Property Owner hereby confirms that this Unanimous Approval constitutes its unanimous approval and unanimous vote as described herein and as contemplated by Section 53339.3 *et seq.* of the Act and for purposes of the California Constitution Article XIII A and XIII C. In lieu of an approval by public hearing, ballot and election, if any, the Property Owner intends for this Unanimous Approval to constitute its ballot and election and waiver of a public hearing. Further, the Property Owner hereby waives all other rights with respect to the annexation of the Property, the levy of the Special Taxes on the Property in accordance with the rate and method of apportionment and the other matters covered in this Unanimous Approval.

6. Recordation of Amendment to Notice of Special Tax Lien. The Notice of Special Tax Lien for the CFD was recorded in the Office of the County Recorder of the County of Sutter, State of California on July 12, 2021, as Document No. 2021-0012518.

The Property Owner hereby understands and agrees, consents and approves to the City Clerk, or City designee, to execute and cause to be recorded in the office of the County Recorder of the County of Sutter an amendment to the Notice of Special Tax Lien for the CFD as required by Section 3117.5 of the California Streets and Highways Code. The amendment to the Notice of Special Tax Lien shall include the Rate and Method as an exhibit thereto.

7. Authority Warranted. The Property Owner warrants to the City that the presentation of this Unanimous Approval, any votes, consents or waivers contained herein, and other actions for the annexation of the Property to the CFD and the levy of special taxes within the area of the Property shall do not constitute events of default or delinquencies under any existing or proposed financing documents entered into or to be entered into by the Property Owner for the Property, including any “due-on-encumbrance” clauses under any existing security instruments secured by the Property.

8. Due Diligence and Disclosures. The Property Owner agrees to cooperate with the City and its attorneys and consultants and to provide all information and disclosures required by the City and/or the Act about the Special Taxes to purchasers of the Property or any part of it.

9. Agreements. The Property Owner further agrees to execute such additional or supplemental agreements as may be required by the City to provide for any of the actions and conditions described in this Unanimous Approval, including any cash deposit required to pay for the City’s costs in annexing the Property to the CFD.

10. The Property. The Property is identified below, and such Property Owner approves, consents and agrees that Property will be subject to the CFD upon recordation of the amendment to the

Notice of Special Tax Lien. The Property is located in the Future Annexation Area of the CFD and the map is attached hereto as Exhibit C.

Assessor's Parcel Number(s):

APN	Acreage	Anticipated Units	Property Owner
59-530-027	4.11	13	Crowne Communities Domain Estates LLC

Acres: 4.11

By executing this Unanimous Approval, the Property Owner agrees, consents, declares and certifies to all of the above.

Annexation No. 2 (Domain Estates Phase 3)

Property Owner

By: Crowne Communities Domain Estates LLC

By: _____

Name: Kal Takhar

Title: _____

Notice Address

Crowne Communities Domain Estates LLC

319 Teegarden Avenue

Yuba City, California 95991

EXHIBIT A

Yuba City

Community Facilities District No. 2021-1

(Municipal Services)

DESCRIPTION OF SERVICES

The Services to be funded by the CFD include the following services and all incidental expenses related to such services, all of which are authorized by the Act:

PUBLIC SERVICES

- (a) Police protection services;
- (b) Fire protection and suppression services, ambulance and paramedic services;
- (c) maintenance of parks, parkways, streets, roads, and open space;
- (d) flood and storm protection services, including but not limited to the maintenance of storm drainage systems and sandstorm protection systems,
- (e) Services with respect to the removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment, subject to the limitations contained in Section 53313 of the Act;
- (f) Maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the local agency or by another local agency pursuant to an agreement entered into under Section 53316.2; and
- (g) costs incurred by the City and or County in formation of the district, annexation and annual contract administration.

In accordance with Section 53313 of the Act, the additional services may not supplant services available within the territory when the district was created or annexed.

The same types of services which are authorized to be financed by CFD No. 2021-1 are the types of services to be provided in the Future Annexation Area, as properties are annexed.

The services include operational and maintenance costs associated with providing such services.

EXHIBIT B

City of Yuba City

**Community Facilities District No. 2021-1
(Municipal Services)**

RATE AND METHOD OF APPORTIONMENT

The Special Tax shall be levied in Annexation No. 2 (Domain Estates Phase 3) in accordance with the Rate and Method of Apportionment of Special Tax for City of Yuba City Community Facilities District No. 2021-1 (Municipal Services) pursuant to the rate set forth in the attachment hereto.

**CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(MUNICIPAL SERVICES)
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2021-1 (Municipal Services) [herein "CFD No. 2021-1"] shall be levied and collected according to the tax liability determined by the City Council, acting in its capacity as the legislative body of CFD No. 2021-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2021-1, unless exempted by law or by the provisions of Section E 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:

"Acreage" or "Acre" means the land area making up an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map or other parcel map recorded at the County Recorder's Office.

"Administrative Expenses" means the costs incurred by the City to determine, levy and collect the Special Tax, including salaries of City employees and fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer the CFD No. 2021-1 as determined by the Finance Director.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Annual Tax Escalation Factor" means an annual increase in the Maximum Special Tax following the Base Year in an amount not to exceed four percent (4%). The Annual Tax Escalation Factor shall be based on the budgeted escalation of the City of Yuba City's combined Police and Fire Departments from the previous fiscal year.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by CFD No. 2021-1 as set forth in the documents adopted by the City Council when the CFD No. 2021-1 was formed.

"Base Year" means Fiscal Year 2020-2021.

"City" means the City of Yuba City.

"City Council" means the City Council of the City of Yuba City, acting as the legislative body of CFD No. 2021-1.

"County" means Sutter County, California.

"Developed Residential Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a use permit or building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year.

"Finance Director" means the Finance Director for the City or his or her designee or successor.

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

"Maximum Special Tax" means the maximum Special Tax determined in accordance with Section C below that can be levied on Taxable Property in any Fiscal Year.

"Multi-Family Property" means, in any Fiscal Year, all units in CFD No. 2021-1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

"Public Property" means any property within the boundaries of CFD No. 2021-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Residential Unit(s)" means an individual lot of land for which a building permit could be issued to construct one or more residential dwelling units.

"Residential Property" means all Assessor's Parcels of Taxable Property for which a map has been recorded designating individual Residential Units.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property within the boundaries of CFD No. 2021-1 for which a map has been recorded designating the Assessor's Parcel as a lot for which a building permit could be issued and the Assessor's Parcel cannot be classified as a Residential Property.

"Special Tax" means any tax levied to pay for Authorized Services and Administrative Expenses.

"Single Family Property" means buildings containing one dwelling unit located on a single lot that are individually owned, including attached or detached residences (i.e., townhome unit and/or condominium units).

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 2021-1 designated as Developed Residential Property.

"Undeveloped Residential Property" means all Parcels of Residential Property within the boundaries of CFD No. 2021-1 that are not Developed Residential Property, as determined by the Administrator.

"Unit" means an individual single family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure.

CATEGORIZING PARCELS FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels within CFD No. 2021-1, and each parcel shall be classified as Developed Residential Property, Non-Residential Property, Public Property, or Undeveloped Residential Property, and shall be subject to the levy of annual Special Taxes determined pursuant to Sections C and D below.

B. MAXIMUM SPECIAL TAX RATE

All Taxable Property within the CFD No. 2021-1 shall be subject to a Maximum Special Tax that will be levied each Fiscal Year to pay for Authorized Services. As discussed above, the Administrator shall rely first on the Land Use Designation for a Parcel to determine the appropriate Maximum Special Tax in **Table 1**, below, but, in the absence of an assigned Land Use Designation, the Administrator shall refer to the Zoning Designation and land use to be built on the Parcel. The following Maximum Special Tax rates apply to all Parcels of Developed Property within CFD No. 2021-1:

Each Residential Unit is subject to the Maximum Special Tax shown in **Table 1**, below.

Non- Residential Property, Undeveloped Property, and Public Property is not subject to the Maximum Special Tax.

Table 1

Property Land Use	Fiscal Year 2020/21 Maximum Special Tax Amount *
Single Family Property	\$467.10 per Single Family Residential Unit
Multi-Family Property	\$340.70 per Multi-Family Residential Unit
Undeveloped Residential Property	\$0 per Assessor's Parcel

* Beginning July 1, 2021 and each July 1 thereafter, all of the Maximum Special Taxes shown in **Table 1** above shall be adjusted by applying the Annual Tax Escalation Factor.

C. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall levy the Maximum Special Tax on each Parcel of Developed Property in CFD No. 2021-1. The Special Tax for CFD No. 2021-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 2021-1 may (under the authority of Government Code Section 53340) in any particular case bill the taxes directly to the property owner off the County tax roll, and the Special Tax will be equally subject to foreclosure if delinquent.

D. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, Non-Residential Property, or Undeveloped Residential Property.

E. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2021-1 from time to time. The property to be annexed will be assigned to the appropriate Maximum Special Tax rate for the Tract or Tracts when annexed, as pursuant to California Government Code section 53339 et seq.

In certain cases, it may be determined that a potential property to be annexed may require a higher cost to provide City services than other areas of the City (e.g., if it possesses a large quantity of City- owned infrastructure that requires maintenance). As each annexation is proposed, the City may elect to prepare an analysis to determine the annual cost for providing Services, and may incorporate unique zones with varying Maximum Special Tax rates. Such zones may be referred to by reference to a letter or number on the boundary map, and adjust the rates in Table 1 of such annexation to reflect the applicable rates.

The City may adopt a future annexation area in the future and allow for annexation by unanimous written consent.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

G. TERM

The Special Tax shall be collected in perpetuity.

H. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

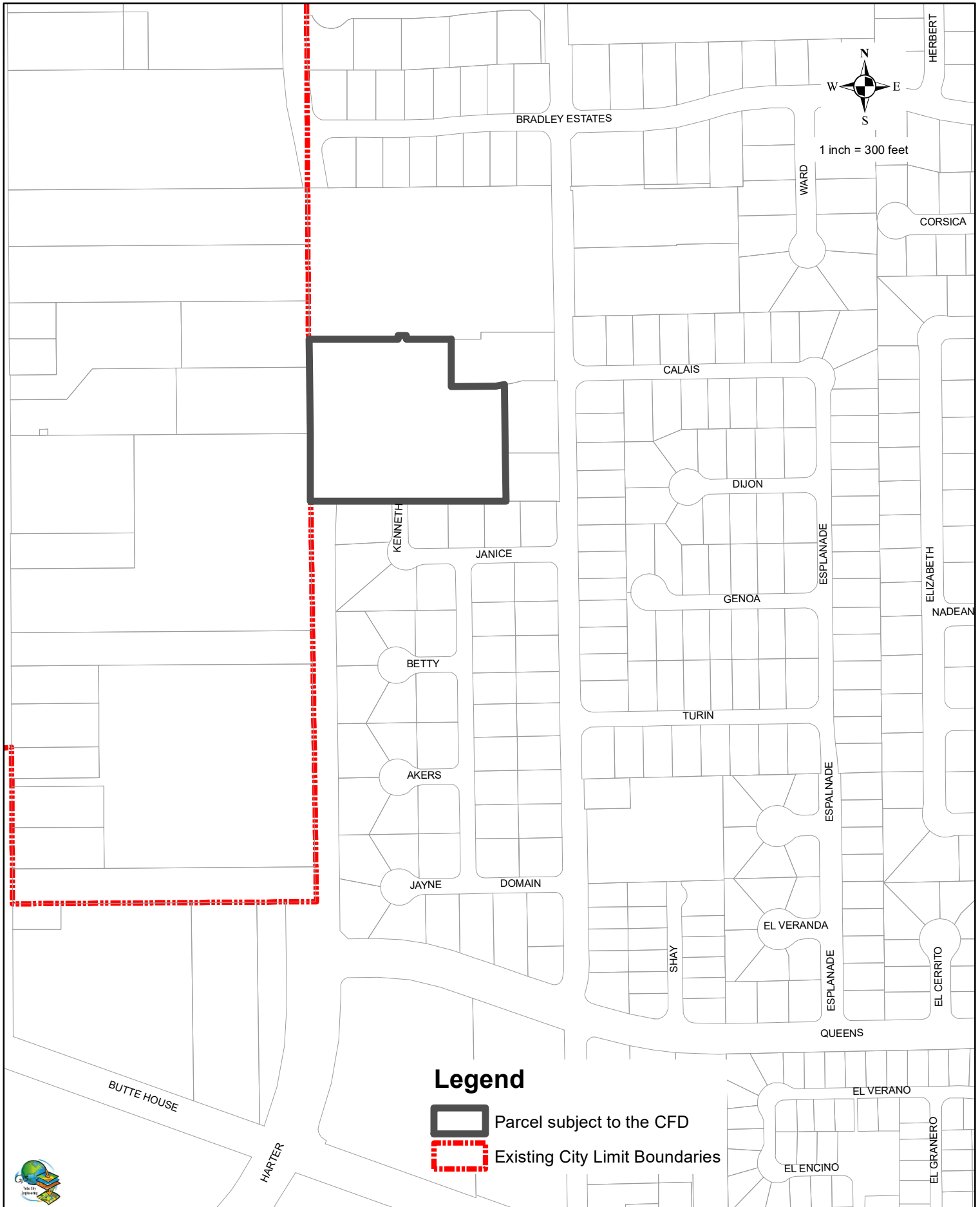
EXHIBIT C

**CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(MUNICIPAL SERVICES)**

**ANNEXATION MAP NO. 2 OF YUBA CITY COMMUNITY FACILITIES DISTRICT NO. 2021-1
DOMAIN ESTATES PHASE 3**

Proposed Boundary Map of CFD No. 2021-1 Annexation No. 2

Domain Estates Phase 3 City of Yuba City, Sutter County, California



Legend



Parcel subject to the CFD



Existing City Limit Boundaries



ATTACHMENT 2

RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:

City of Yuba City
Attn: City Clerk
1201 Civic Center Boulevard
Yuba City, California 95993

FIRST AMENDMENT TO NOTICE OF SPECIAL TAX LIEN

**City of Yuba City
Community Facilities District No. 2021-1
(Municipal Services)
Annexation No. 2 (Domain Estates Phase 3)**

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the Streets and Highways Code and Government Code Section 53311, et seq., the undersigned City Clerk of the City of Yuba City, acting on behalf of City of Yuba City Community Facilities District No. 2021-1 (Municipal Services) (the "CFD"), HEREBY GIVES NOTICE that a lien is hereby imposed on taxable property within the property described herein ("Annexation No. 2 (Domain Estates Phase 3), which has been annexed to the CFD to secure payment of a special tax ("Special Tax") which the City Council of the City of Yuba City (the "City"), County of Sutter (the "County"), State of California, is authorized to annually levy for the following purpose of financing the following services:

- (a) Police protection services;
- (b) Fire protection and suppression services, ambulance and paramedic services;
- (c) maintenance of parks, parkways, streets, roads, and open space;
- (d) flood and storm protection services, including but not limited to the maintenance of storm drainage systems and sandstorm protection systems,
- (e) Services with respect to the removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment, subject to the limitations contained in Section 53313 of the Act;
- (f) Maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the local agency or by another local agency pursuant to an agreement entered into under Section 53316.2; and

(g) costs incurred by the City and or County in formation of the district, annexation and annual contract administration.

The services include operational and maintenance costs associated with providing such services.

The Special Tax is authorized to be levied within the CFD that has now been officially formed and includes Annexation No. 2 (Domain Estates Phase 3) and the lien of the Special Tax is a continuing lien which shall secure each annual levy of the Special Tax and which shall continue in force and effect until the special tax obligation is prepaid, if applicable, permanently satisfied, and canceled in accordance with law or until the Special Tax ceases to be levied and a notice of cessation of Special Tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as follows: The rate and method of apportionment of the authorized Special Tax is as shown in the Rate and Method of Apportionment set forth on Exhibit A attached hereto and incorporated herein by this reference (the "Rate and Method"). The Special Tax shall be collected in the same manner as ordinary ad valorem property taxes and shall be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem taxes; provided, however, the CFD may utilize a direct billing procedure for any Special Taxes that cannot be collected on the County tax roll or may elect to collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as follows: The Special Tax is levied perpetually as provided in the Rate and Method and there are no conditions upon which it may be prepaid.

Notice is further given that upon the recording of this notice in the Office of the County Recorder of Sutter County, the obligation to pay the Special Tax levy shall become a lien upon all non-exempt real property within the area of Annexation No. 2 (Domain Estates Phase 3) in accordance with Sections 3114.5, 3115.5 and 3117.5 of the Streets and Highways Code.

The (a) names of the owner(s) of the real property included within the annexed property to the CFD as they appear on the last secured assessment roll as of the date of recording of this Notice and (b) the Assessor's tax parcel(s) numbers of all parcels or any portion thereof which are included within Annexation No. 2 (Domain Estates Phase 3) to the CFD and not exempt from the special tax, are as set forth on the attached, referenced and incorporated Exhibit B.

Reference is made to the boundary map of the Annexation No. 2 (Domain Estates Phase 3) to the CFD recorded concurrently herewith in the Book of Maps of Assessment and Community Facilities Districts in the Office of the County Recorder

for the County of Sutter, State of California, which map is now the final boundary map of Annexation No. 2 (Domain Estates Phase 3) to the CFD. The Boundary Map of the original district is Recorded as Document No. 2021-0012517 in Book 3 of Assessment and Community Facilities Districts at Pages 93 through 96, in the Office of the County Recorder of the County of Sutter, State of California.

Reference hereby is made to the Amendment to Notice of Special Tax Lien to the CFD recorded as Document No. 2021-0012518 in the Records of the County Recorder of the County of Sutter.

For further information concerning the current and estimated tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the City of Yuba City, City Hall, Finance Director, 1201 Civic Center Boulevard Yuba City, California 95993, telephone number (530) 822-4618.

Dated: As of May 17, 2022

By:

Ciara Wakefield, Deputy City Clerk
City of Yuba City

EXHIBIT A

See Rate and Method of Apportionment Attached

**CITY OF YUBA CITY
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(MUNICIPAL SERVICES)
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2021-1 (Municipal Services) [herein "CFD No. 2021-1"] shall be levied and collected according to the tax liability determined by the City Council, acting in its capacity as the legislative body of CFD No. 2021-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2021-1, unless exempted by law or by the provisions of Section E 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:

"Acreage" or "Acre" means the land area making up an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map or other parcel map recorded at the County Recorder's Office.

"Administrative Expenses" means the costs incurred by the City to determine, levy and collect the Special Tax, including salaries of City employees and fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer the CFD No. 2021-1 as determined by the Finance Director.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Annual Tax Escalation Factor" means an annual increase in the Maximum Special Tax following the Base Year in an amount not to exceed four percent (4%). The Annual Tax Escalation Factor shall be based on the budgeted escalation of the City of Yuba City's combined Police and Fire Departments from the previous fiscal year.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by CFD No. 2021-1 as set forth in the documents adopted by the City Council when the CFD No. 2021-1 was formed.

"Base Year" means Fiscal Year 2020-2021.

"City" means the City of Yuba City.

"City Council" means the City Council of the City of Yuba City, acting as the legislative body of CFD No. 2021-1.

"County" means Sutter County, California.

"Developed Residential Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a use permit or building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year.

"Finance Director" means the Finance Director for the City or his or her designee or successor.

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

"Maximum Special Tax" means the maximum Special Tax determined in accordance with Section C below that can be levied on Taxable Property in any Fiscal Year.

"Multi-Family Property" means, in any Fiscal Year, all units in CFD No. 2021-1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

"Public Property" means any property within the boundaries of CFD No. 2021-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Residential Unit(s)" means an individual lot of land for which a building permit could be issued to construct one or more residential dwelling units.

"Residential Property" means all Assessor's Parcels of Taxable Property for which a map has been recorded designating individual Residential Units.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property within the boundaries of CFD No. 2021-1 for which a map has been recorded designating the Assessor's Parcel as a lot for which a building permit could be issued and the Assessor's Parcel cannot be classified as a Residential Property.

"Special Tax" means any tax levied to pay for Authorized Services and Administrative Expenses.

"Single Family Property" means buildings containing one dwelling unit located on a single lot that are individually owned, including attached or detached residences (i.e., townhome unit and/or condominium units).

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 2021-1 designated as Developed Residential Property.

"Undeveloped Residential Property" means all Parcels of Residential Property within the boundaries of CFD No. 2021-1 that are not Developed Residential Property, as determined by the Administrator.

"Unit" means an individual single family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure.

CATEGORIZING PARCELS FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels within CFD No. 2021-1, and each parcel shall be classified as Developed Residential Property, Non-Residential Property, Public Property, or Undeveloped Residential Property, and shall be subject to the levy of annual Special Taxes determined pursuant to Sections C and D below.

B. MAXIMUM SPECIAL TAX RATE

All Taxable Property within the CFD No. 2021-1 shall be subject to a Maximum Special Tax that will be levied each Fiscal Year to pay for Authorized Services. As discussed above, the Administrator shall rely first on the Land Use Designation for a Parcel to determine the appropriate Maximum Special Tax in **Table 1**, below, but, in the absence of an assigned Land Use Designation, the Administrator shall refer to the Zoning Designation and land use to be built on the Parcel. The following Maximum Special Tax rates apply to all Parcels of Developed Property within CFD No. 2021-1:

Each Residential Unit is subject to the Maximum Special Tax shown in **Table 1**, below.

Non- Residential Property, Undeveloped Property, and Public Property is not subject to the Maximum Special Tax.

Table 1

Property Land Use	Fiscal Year 2020/21 Maximum Special Tax Amount *
Single Family Property	\$467.10 per Single Family Residential Unit
Multi-Family Property	\$340.70 per Multi-Family Residential Unit
Undeveloped Residential Property	\$0 per Assessor's Parcel

* Beginning July 1, 2021 and each July 1 thereafter, all of the Maximum Special Taxes shown in **Table 1** above shall be adjusted by applying the Annual Tax Escalation Factor.

C. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall levy the Maximum Special Tax on each Parcel of Developed Property in CFD No. 2021-1. The Special Tax for CFD No. 2021-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 2021-1 may (under the authority of Government Code Section 53340) in any particular case bill the taxes directly to the property owner off the County tax roll, and the Special Tax will be equally subject to foreclosure if delinquent.

D. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, Non-Residential Property, or Undeveloped Residential Property.

E. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2021-1 from time to time. The property to be annexed will be assigned to the appropriate Maximum Special Tax rate for the Tract or Tracts when annexed, as pursuant to California Government Code section 53339 et seq.

In certain cases, it may be determined that a potential property to be annexed may require a higher cost to provide City services than other areas of the City (e.g., if it possesses a large quantity of City- owned infrastructure that requires maintenance). As each annexation is proposed, the City may elect to prepare an analysis to determine the annual cost for providing Services, and may incorporate unique zones with varying Maximum Special Tax rates. Such zones may be referred to by reference to a letter or number on the boundary map, and adjust the rates in Table 1 of such annexation to reflect the applicable rates.

The City may adopt a future annexation area in the future and allow for annexation by unanimous written consent.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

G. TERM

The Special Tax shall be collected in perpetuity.

H. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

EXHIBIT B

APN	OWNER
59-530-027	Crowne Communities Domain Estates LLC