

NOTICE OF HEARING ON RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF CORONA DECLARING INTENTION TO ANNEX
TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2016-3
(MAINTENANCE SERVICES) OF THE CITY OF CORONA
(ANNEXATION NO. 19)

NOTICE IS HEREBY GIVEN that on September 16, 2020, the City Council of the City of Corona adopted Resolution No. 2020-121 declaring the intention of the City Council to annex territory to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, County of Riverside, State of California, and fixing the time and place of a public hearing thereon for 6:30 p.m. on October 21, 2020 in the Council Chambers of the City Council, 400 South Vicentia, Corona, California, at which time the City Council will hear the testimony of all interested persons for or against the annexation of said territory to the Community Facilities District or the levying of special taxes within such territory to pay the costs of providing certain services which are necessary to meet increased demands placed upon the City as a result of the development of said real property.

Resolution No. 2020-121 provides in summary as follows:

1. The City Council declared its intention to conduct proceedings for the annexation to the Community Facilities District of the territory described in Exhibit "A" to Resolution No. 2020-121. The City Council determined that the public convenience and necessity require that such territory be annexed to the Community Facilities District.

2. The territory in the existing Community Facilities District is described on the map of the Community Facilities District recorded November 7, 2016 in Book 80 of Maps of Assessment and Community Facilities Districts, page 24, and as Instrument No. 2016-0494014; the map entitled Annexation Map No. 1 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on March 6, 2017 in Book 80 of Maps of Assessment and Community Facilities Districts, at page 45, and as Instrument No. 2017-0091538; the map entitled Annexation Map No. 2 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on April 25, 2017 in Book 80 of Maps of Assessment and Community Facilities Districts, at page 61, and as Instrument No. 2017-0164857; the map entitled Annexation Map No. 3 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on April 25, 2017 in Book 80 of Maps of Assessment and Community Facilities Districts, at page 60, and as Instrument No. 2017-0164856; the map entitled Annexation Map No. 5 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on May 9, 2018 in Book 82 of Maps of Assessment and Community Facilities Districts, at page 46, and as Instrument No. 2018-0180894; the map entitled Annexation Map No. 6 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on August 8, 2018 in Book 82 of Maps of Assessment and Community Facilities Districts, at page 95, and as Instrument No. 2018-0318806; the map entitled Annexation Map No. 7 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on September 12, 2018 in Book 83 of Maps of

Assessment and Community Facilities Districts, at page 3, and as Instrument No. 2018-0366312; the map entitled Annexation Map No. 8 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on October 24, 2018 in Book 83 of Maps of Assessment and Community Facilities Districts, at page 19, and as Instrument No. 2018-0420213; the map entitled Annexation Map No. 9 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on December 12, 2018 in Book 83 of Maps of Assessment and Community Facilities Districts, at page 36, and as Instrument No. 2018-0483574; the map entitled Annexation Map No. 10 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on April 10, 2019 in Book 83 of Maps of Assessment and Community Facilities Districts, at page 71, and as Instrument No. 2019-0121272; the map entitled Annexation Map No. 11 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on April 10, 2019 in Book 83 of Maps of Assessment and Community Facilities Districts, at page 72, and as Instrument No. 2019-0121273; the map entitled Annexation Map No. 12 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on April 10, 2019 in Book 83 of Maps of Assessment and Community Facilities Districts, at page 73, and as Instrument No. 2019-0121274; the map entitled Annexation Map No. 13 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on October 31, 2019 in Book 84 of Maps of Assessment and Community Facilities Districts, at page 47, and as Instrument No. 2019-0443969; the map entitled Annexation Map No. 14 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on October 23, 2019 in Book 84 of Maps of Assessment and Community Facilities Districts, at page 40, and as Instrument No. 2019-0428088; the map entitled Annexation Map No. 15 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on February 26, 2020 in Book 84 of Maps of Assessment and Community Facilities Districts, at page 97, and as Instrument No. 2020-0087079; and the map entitled Annexation Map No. 16 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on July 8, 2020 in Book 85 of Maps of Assessment and Community Facilities Districts, at page 44, and as Instrument No. 2020-0296754; and the map entitled Annexation Map No. 17 of Community Facilities District No. 2016-3 (Maintenance Services) recorded on June 25, 2020 in Book 85 of Maps of Assessment and Community Facilities Districts, at page 39, and as Instrument No. 2020-0274667 of the official records of the County of Riverside. The territory proposed to be annexed to the Community Facilities District is described in Exhibit “A” attached hereto and by this reference made a part hereof. Such territory is also shown and described on the map thereof entitled “Annexation Map No. 19, Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, County of Riverside, State of California,” which is on file with the City Clerk.

3. The types of public services to be provided within the Community Facilities District are as follows:

(a) The services which are proposed to be funded with the revenues from Special Tax A (defined below) which are proposed to be levied on parcels of taxable property within CFD No. 2016-3, include the annual costs of maintaining, servicing, cleaning, repairing and/or replacing landscaped areas (may include reserves for replacement) in public street right-of-way, public landscaping, public open spaces and

other similar landscaped areas officially dedicated for public use, including, but not limited to, maintenance and lighting of parks, parkways, streets, roads and open space, maintenance and operation of water quality improvements and storm drainage systems, and public street sweeping, within and in the area of the community facilities district, as well as the costs associated with the determination of the amount of and the levy and collection of special taxes which are levied to provide such services and costs otherwise incurred in order to carry out the authorized purposes of the community facilities district (the "Special Tax A Services").

(b) The services which are proposed to be funded with the revenues from Special Tax B (Contingent) (defined below) which are proposed to be levied on parcels of taxable property within CFD No. 2016-3, include any services permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation, those services authorized to be funded by CFD No. 2016-3 as set forth in the documents adopted by the City Council at the time the CFD was formed to be provided by the City in the event the Administrator makes a determination that a Property Owners' Association fails to adequately provide such services, as well as the costs associated with the determination of the amount of and the levy and collection of special taxes which are levied to provide such services and costs otherwise incurred in order to carry out the authorized purposes of the community facilities district (the "Special Tax B (Contingent) Services").

4. A special tax sufficient to finance the Special Tax A Services ("Special Tax A"), and a special tax sufficient to finance the Special Tax B (Contingent) Services ("Special Tax B (Contingent)") (together, the "Special Taxes"), secured by the recordation of a continuing lien against all taxable or nonexempt property in CFD No. 2016-3, shall be annually levied within CFD No. 2016-3. All parcels of taxable property in the territory of CFD No. 2016-3 shall be subject to the annual levy of Special Taxes. The rate and method of apportionment of special taxes to be levied on parcels of taxable property to finance the services of the proposed community facilities district for the benefit of parcels of property in the proposed community facilities district, and to pay the other costs and expenses described above, shall be as set forth in Exhibit "A" to Resolution No. 2020-121.

The maximum amounts of special taxes which may be annually levied and the method of apportionment and levy of such special taxes for Special Tax A for the Special Tax A Services and Special Tax B (Contingent) for the Special Tax B (Contingent) Services, as set forth in said Exhibit "A," are as follows:

ASSIGNMENT TO LAND USE CATEGORY FOR SPECIAL TAXES

For each Fiscal Year, all Assessor's Parcels of Taxable Property within CFD No. 2016-3 shall be classified as Developed Property, Approved Property, or Undeveloped Property, and shall be subject to the levy of Special Taxes as determined pursuant to Exhibit A of Resolution No. 2020-121. Assessor's Parcels of Developed Property and Approved Property shall be classified as either Residential Property or Non-Residential Property. Residential Property shall be further classified as Single Family Residential Property or

Multi-Family Residential Property and the number of Residential Units shall be determined by the Administrator.

MAXIMUM SPECIAL TAXES

For purposes of determining the applicable Maximum Special Tax for Assessor's Parcels of Developed Property and Approved Property which are classified as Residential Property, all such Assessor's Parcels shall be assigned the number of Residential Unit(s) constructed thereon, or approved to be constructed thereon, as specified in or shown on the Building Permit(s) issued or Final Map as determined by the Administrator. Once a single family attached or multi-family building or buildings have been built on an Assessor's Parcel, the Administrator shall determine the actual number of Residential Units contained within the building or buildings, and the Special Tax levied against the Assessor's Parcel in the next Fiscal Year shall be calculated by multiplying the actual number of Residential Units by the Maximum Special Tax per Residential Unit.

For purposes of determining the applicable Maximum Special Tax for Assessor's Parcels of Developed Property and Approved Property which are classified as Non-Residential Property, all such Assessor's Parcels shall be assigned the number of Building Square Footage or Acres as shown on the Final Map as determined by the Administrator. Once the Administrator determines the actual number of Building Square Footage or Acres for an Assessor's Parcel, the Special Tax levied against the Assessor's Parcel in the next Fiscal Year shall be calculated by multiplying the number of Building Square Footage or Acres by the Maximum Special Tax per Taxable Unit.

The Maximum Special Tax for each Assessor's Parcel of Developed Property, Approved Property and Undeveloped Property shall be specific to each Tax Zone within the CFD. When additional property is annexed into CFD No. 2016-3, the rate and method adopted for the annexed property shall reflect the Maximum Special Tax for the Tax Zones annexed and included in Appendix A.

On each July 1, commencing on July 1, 2018 the Maximum Special Tax for Developed Property, Approved Property and Undeveloped Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two percent (2.0%), whichever is greater.

SPECIAL TAX A

Commencing Fiscal Year 2020-21 and for each subsequent Fiscal Year, the City Council shall levy Special Tax A on all Taxable Property, up to the applicable Maximum Special Tax A to fund the Special Tax A Requirement.

1. Developed Property and Approved Property
 - a. Maximum Special Tax A

The Maximum Special Tax A for Developed Property for Fiscal Year 2020-21 within Tax Zone 19, which is comprised of single-family residential property is \$1,057 per residential unit.

b. Multiple Land Use Categories

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Category. The Maximum Special Tax A that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax A that can be levied for each Land Use Category located on that Assessor's Parcel. For an Assessor's Parcel that contains more than one land use, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved by the City for such Assessor's Parcel. The Administrator's allocation to each type of property shall be final.

2. Undeveloped Property

The Maximum Special Tax A for Undeveloped Property for Fiscal Year 2020-21 within Tax Zone 19 is \$6,490 per acre.

SPECIAL TAX B (CONTINGENT)

The City Council shall levy Special Tax B (Contingent) commencing in the first Fiscal Year following the POA's default of its obligation to maintain such improvements, which default shall be deemed to have occurred in each of the following circumstances:

(i) the POA files for bankruptcy;

(ii) the POA is dissolved;

(iii) the POA ceases to levy annual assessments for the maintenance of the Special Tax B (Contingent) Services; or

(iv) the POA fails to maintain such improvements at the same level as the City maintains similar improvements throughout the City and within ninety (90) days after written notice from the City, or such longer period permitted by the City Manager, fails to remedy such maintenance deficiency to the reasonable satisfaction of the City Council.

1. Developed Property and Approved Property

a. Maximum Special Tax B (Contingent)

The Maximum Special Tax B (Contingent) for each Assessor's Parcel of Taxable Property for Fiscal Year 2020-21 within Tax Zone 19, which is comprised of non-residential property is \$0 per residential unit.

b. Multiple Land Use Categories

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Category. The Maximum Special Tax B (Contingent) that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax B (Contingent) that can be levied for each Land Use Category located on that Assessor's Parcel. For an Assessor's Parcel that contains more than one land use, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The Administrator's allocation to each type of property shall be final.

2. Undeveloped Property

The Maximum Special Tax B (Contingent) for Fiscal Year 2020-21 within Tax Zone 19 is \$0 per acre

METHOD OF APPORTIONMENT OF ANNUAL SPECIAL TAX

1. Special Tax A

Commencing with Fiscal Year 2017-18 and for each following Fiscal Year, the City Council shall determine the Special Tax A Requirement for each Tax Zone and shall levy the Special Tax A on all Assessor's Parcels of Taxable Property within such Tax Zone until the aggregate amount of Special Tax A equals the Special Tax A Requirement for such Tax Zone. The Special Tax A shall be levied for each Fiscal Year as follows:

First: The Special Tax A shall be levied Proportionately on all Assessor's Parcels of Developed Property up to 100% of the applicable Maximum Special Tax A 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 Approved Property at up to 100% of the Maximum Special Tax A for Approved Property;

Third: If additional monies are needed to satisfy the Special Tax A Requirement after the first two steps has been completed, the Special Tax A shall be levied Proportionately on all Assessor's Parcels of Undeveloped Property up to 100% of the Maximum Special Tax A for Undeveloped Property.

2. Special Tax B (Contingent)

Commencing with the first Fiscal Year in which Special Tax B (Contingent) is authorized to be levied and for each following Fiscal Year, the City Council shall determine the Special Tax B (Contingent) Requirement for each Tax Zone, if any,

and shall levy the Special Tax on all Assessor's Parcels of Taxable Property within such Tax Zone until the aggregate amount of Special Tax B (Contingent) equals the Special Tax B (Contingent) Requirement for such Tax Zone. The Special Tax B (Contingent) shall be levied for each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on all Assessor's Parcels of Developed Property up to 100% of the applicable Maximum Special Tax B (Contingent) to satisfy the Special Tax B (Contingent) Requirement;

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

Third: If additional monies are needed to satisfy the Special Tax B (Contingent) Requirement after the first two steps has been completed, the Special Tax B (Contingent) shall be levied Proportionately on all Assessor's Parcels of Undeveloped Property up to 100% of the Maximum Special Tax B (Contingent) for Undeveloped Property.

5. For each Fiscal Year, the Maximum Special Taxes shall be levied as long as the Services are being provided within the boundaries of CFD No. 2016-3.

6. Properties of entities of the state, federal, and local governments shall be exempt from the levy of special taxes of the proposed community facilities district.

7. A public hearing on the annexation of territory to the Community Facilities District shall be held at 6:30 p.m. on October 21, 2020, in the City Council Chambers at the City Hall, 400 South Vicentia, Corona, California.

8. The officers of the City who are responsible for providing the services to be financed by the proposed community facilities district, if it is established, are hereby directed to study the proposed community facilities district and, at or before the time of said hearing, file or cause to be filed a report with the City Council containing a brief description of the services by type and an estimate of the cost of providing those services and the incidental expenses to be incurred in connection therewith. Such report shall be made a part of the record of the hearing to be held pursuant to Section 7 hereof.

9. Resolution No. 2020-121 contains other provisions which are not summarized above. A copy of Resolution No. 2020-121 may be reviewed or obtained at the office of the City Clerk of the City of Corona located at 400 South Vicentia Avenue, Corona, California.

NOTICE IS FURTHER GIVEN that at the time and place of said hearing, all persons interested for or against the annexation of said territory to the Community Facilities District or the levying of special taxes within such territory to pay the costs of providing certain services within the territory proposed to be annexed to the Community

Facilities District will be heard. At the hearing, protests against the proposals described in Resolution No. 2020-121 may be made by any interested person. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the hearing. The City Council may waive any irregularities in the form or content of any written protests and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing.

If the owners of one-half or more of the area of land in the territory included in the existing district, or if the owners of one-half or more of the area of land in the territory proposed to be annexed to the Community Facilities District file written protests against the proposed annexation of such territory to the Community Facilities District, and protests are not withdrawn so as to reduce the protest to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of decision of the City Council on the issues discussed at the hearing.

The hearing may be continued from time to time, but shall be completed within 30 days. At the conclusion of the hearing, the City Council may abandon the proceedings or may, after passing upon all protests, submit the question of levying the special tax within the area proposed to be annexed to the Community Facilities District to the qualified electors of the area proposed to be annexed.

DATED: September 30, 2020

/s/ Sylvia Edwards
Sylvia Edwards
City Clerk of the City of Corona