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**CITY OF HEMET
HEMET, CALIFORNIA
RESOLUTION NO. 2023-096**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF HEMET, CALIFORNIA, AMENDING RESOLUTION
NO. 3944 AND THE GOALS AND POLICIES FOR THE
USE OF THE MELLO-ROOS COMMUNITY FACILITIES
ACT OF 1982**

The City Council of the City of Hemet, California (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, the City Council of the City of Hemet, California, adopted Resolution No. 3944 which established the statement of goals and policies for the use of the Mello-Roos Community Facilities Act of 1982 ("Goals and Policies") on August 23, 2005; and

WHEREAS, on Page 3 of the Goals and Policies it states that it is undesirable that the annual special tax on any parcel pursuant to the Goals and Policies not exceed an amount equal to a total tax rate of 2%, including general property taxes and other special taxes and assessments; and,

WHEREAS, the Goals and Policies as written do not contain an exception from the 2% limit for "default" assessments, which are assessments that have been approved but are not collected, unless the project defaults on an obligation to the City, such as an obligation to maintain parkway landscaping. Absent such an exception, the full amount of a "default" assessment must be included even though it is not likely that such an assessment will ever be charged.

1 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET FINDS,**
2 **DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:**

3
4 **SECTION 1.** The following sentence shall be added to the end of the first paragraph
5 of Page 3 of the Goals and Policies for the use of the Mello-Roos Community
6 Facilities Act of 1982, as adopted by Resolution No. 3944 shall be amended to read
7 as follows:
8

9 Notwithstanding the above, for the purposes of this paragraph any special taxes or
10 assessments that are approved, but not anticipated to be levied unless the project
11 or parcel defaults on an obligation to the City of Hemet, shall not be included when
12 calculating the total amount of taxes.
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14 **SECTION 2.** This Resolution shall take effective immediately upon adoption.
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PASSED, APPROVED AND ADOPTED this 13th day of June, 2023.



Joe Males, Mayor

ATTEST:

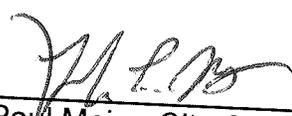

John Paul Maier, City Clerk

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State of California)
County of Riverside)
City of Hemet)

I, John Paul Maier, City Clerk of the City of Hemet, do hereby certify that the foregoing resolution was adopted by the Hemet City Council on the 13th day of June, 2023, and was passed by the following vote:

AYES: Council Members: Krupa, Peterson, Mayor Pro Tem Lilienthal, Mayor Males
NOES: Council Members: None.
ABSTAIN: Council Members: None.
ABSENT: Council Members: None.



John Paul Maier, City Clerk



**CITY OF HEMET
Hemet, California
RESOLUTION NO. 3944**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET,
CALIFORNIA ADOPTING A STATEMENT OF GOALS AND POLICIES
FOR THE USE OF THE MELLO-ROOS COMMUNITY FACILITIES ACT
OF 1982**

RECITALS:

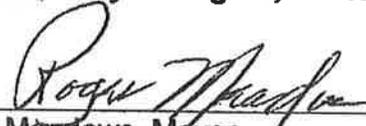
WHEREAS, the CITY COUNCIL (the "City Council") of the CITY OF HEMET (the "City") proposes to undertake proceedings pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the California Government Code (the "Act"), to form a community facilities district; and

WHEREAS, the Act provides that the City Council may initiate proceedings to establish a community facilities district pursuant to the Act only if it has first considered and adopted local goals and policies concerning the use of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HEMET:

1. The City Council finds that the Statement of Goals and Policies for the Use of the Mello-Roos Community Facilities Act of 1982, attached hereto and incorporated herein as Exhibit "A" (the "Statement of Goals and Policies"), meets the requirements of the Act and the City Council hereby adopts the Statement of Goals and Policies for purposes of complying with the Act.

PASSED, APPROVED, AND ADOPTED this 23rd day of August, 2005.



Roger Meadows, Mayor

ATTEST:

APPROVED AS TO FORM:



Stephen B. Clayton, City Clerk



Eric S. Vall, City Attorney

**CITY COUNCIL RESOLUTION NO. 3944
Adoption Of Goals And Policies For CFD**

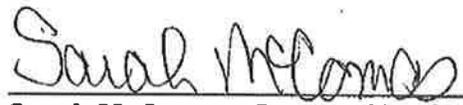
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State of California)
County of Riverside)
City of Hemet)

I, Sarah McComas, Deputy City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the City Council of the City of Hemet and was passed at a regular meeting of the City Council on the 23rd day of August, 2005 by the following vote:

AYES: Council Members Christie, Searl and VanArsdale, Vice Mayor
Lowe and Mayor Meadows

NOES:
ABSTAIN:
ABSENT:


Sarah McComas, Deputy City Clerk

City of Hemet, California
Goals and Policies
for the use of the
Mello-Roos Community Facilities Act of 1982
with respect to districts for which debt will not be issued

Statement of Purpose:

This document sets forth the goals and policies of the City of Hemet (the "City") concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act") (Section 53311 and following of the California Government Code) with respect to community facilities districts for which debt will not be issued. It has been prepared pursuant to the requirements of Section 53312.7 of the Act.

Fundamental Policy:

It is the policy of the City that, except as specifically limited by these goals and policies, the City Council may exercise all rights, powers, and authorities granted to it by the Act.

The silence of these goals and policies with respect to any matter shall not be interpreted as creating any policy with regard to that matter. Any inconsistency between these goals and policies and the Act, as amended, shall be resolved in favor of the Act.

Relationship to Other Goals and Policies

These goals and policies shall only govern the establishment and administration of community facilities districts with respect to which the City has not issued, and does not plan to issue, special tax bonds or other marketable debt.

The City has previously adopted local goals and policies with respect to the use of bond-financed community facilities districts for Special Assessment and Community Facility District Financing Programs. Those local goals and policies shall remain in effect notwithstanding the adoption of these local goals and policies.

In the event a district is established that would be subject to both these goals and policies and some other local goals and policies previously or hereafter adopted by the City Council for a specific area of the City or for some special purpose, the City Council may designate with which of the goals and policies the district shall be consistent, and need not comply with any other goals and policies would otherwise be applicable.

Financing Priorities:

The purpose of the City's use of the Act is to finance services and facilities necessitated by development or planned development within a proposed Community Facilities District

(a "District"). The City may also use the Act to finance other necessary or useful services or facilities authorized to be financed pursuant to the Act.

In selecting services and facilities to be financed, the City may finance any services or facilities permitted to be financed under the Act. Priority for financing may be given to services, such as public safety services and similar City services, which will be demanded by the owners or occupants of parcels within a District as a result of increases in the intensity of use of territory within the District.

As permitted by the Act, the City may finance services and facilities to be owned and operated by other public agencies, including school districts.

Equity of Tax Allocation Formulas

It is a goal of the City that any special tax levied pursuant to the Act be allocated equitably against all similar parcels within any District. Towards this end, the City will engage a qualified special tax consultant to assist in the development of the rate and method of apportionment for any special tax proposed in connection with a District.

Parcels should, at a minimum, be classified according to whether they are undeveloped, approved with a final map, developed as a fractional use development, developed for residential uses, or developed for non-residential uses. Because undeveloped parcels, approved with a final map parcels, developed fractional use parcels, developed residential parcels and developed non-residential parcels have dissimilar economic and other impacts upon the City and its residents, place different demands upon City resources, and provide different benefits to the City, its residents and its economy, a District may be created that levies a tax upon less than all of these five classes of parcels. Similarly, a District may be created that taxes only one of these classes of parcels where such differentiation is requested by a property owner to comply with requirements of the planning laws of the City. However, between parcels within a class, the City may attempt to maintain equity by, for example, taxing each single family dwelling within a District at the same rate, or taxing each fractional-use unit in a fractional development at the same rate per week of ownership interest.

The City recognizes that any determination of tax equity must rely, to a large extent, on assumptions based on average characteristics of parcels, and that an exactly fair share of costs can not be perfectly estimated with respect to any parcel or class of parcel. Consequently, the City may rely on any reasonable tax apportionment analysis, in its sole and absolute discretion. Furthermore, in its sole and absolute discretion, the City may permit the allocation of special taxes on any basis that is rationally related to the purpose of the District.

Because any special tax levied pursuant to these goals and policies will be for the ongoing provision of services and facilities, any special tax methodology may provide for an annual rate increase to reflect inflation. Such annual inflation adjustment may be tied to the Consumer Price Index for All Urban Consumers for the Los Angeles-Orange-Riverside area, or to any other index deemed appropriate by the City.

It is not desirable that the annual special tax on any parcel pursuant to these Goals and Policies exceed an amount equal to a total tax rate of 2%, including the general property taxes and other special taxes or assessments, per year per dwelling unit, hotel room or similar occupiable space. Taxes upon fractional use parcels shall be scaled proportionately to weeks of ownership interest represented by the parcel. This is the maximum tax that may be levied pursuant to these Goals and Policies unless the City Council finds that a higher amount would be more appropriate in light of the attributes of the parcel. The maximum tax rate for developed parcels that do not contain dwelling units, hotel rooms, or similar occupiable spaces shall be an equitable rate that is comparable to that given above, to be determined by the City Council.

Issuance of Bonds—Statement Regarding Credit Policy and Appraisal Standards

At this time, it is the policy of the City to utilize the Act pursuant to these goals and policies only for the financing of services and minor improvements to facilities. Therefore, these goals and policies do not authorize the issuance of bonds pursuant to Article 5 of the Act.

As a consequence, these goals and policies do not include a statement regarding credit policies or a statement of definitions, standards, and assumptions to be used in appraisals.

The City Council may, in the future, amend these goals and policies to permit the issuance of bonds.

Responsible Department

The City's Department of Finance, which is located at 445 East Florida Avenue, Hemet, CA 92543 and whose telephone number is (951) 765-2330 (the "Finance Department"), is designated as the department of the City responsible for: (i) preparing the annual roll of special tax obligations with respect to any District; (ii) providing information to interested persons regarding the current and estimated future tax liability of owners or purchasers of real property subject to the special tax lien; and (iii) furnishing notices of special tax as required by Section 53340.2 of the Act.

Subject to the policies of the City, and as permitted by applicable law, the Finance Department may obtain the assistance of a qualified consultant to perform any of the duties set forth above.

Transparency and Notification

The City will take the following steps to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under the Act:

1. It will conduct all proceedings required by the Act in the manner required by the Ralph M. Brown Act (Section 54950 and following of the California Government Code);

2. It will cause a map of the boundaries of any proposed District to be recorded, pursuant to Section 3111 of the California Streets and Highways Code, in the Office of the Recorder of Riverside County within 15 days following the adoption, of a resolution of intention to form that District, pursuant to Section 53321 of the Act;
3. It will give notice, pursuant to Section 53322 of the Act, prior to holding any public hearing on the establishment of a District;
4. It will record a notice of special tax lien, in the form specified by Section 3114.5 of the California Streets and Highways Code, within 15 days of the City Council's determination that the requisite number of voters are in favor of the levy of a special tax in connection with a District. Such notice will include, among other information:
 - (i) A description of the rate, method of apportionment, and manner of collection of the authorized special tax;
 - (ii) Information about the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled;
 - (iii) The name(s) of the owner(s) and the assessor's tax parcel number(s) of the real property included within this community facilities district and not exempt from the special tax; and
 - (iv) The name, address and telephone number of the Finance Department, so that may contact the Finance Department to obtain further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to the special tax lien.
5. It will, through the Finance Department, furnish a notice of special tax, in the form set forth in Section 53340.2(c) of the Act to any individual requesting the notice or any owner of property subject to a special tax levied by the local agency within five working days of a request for such notice. The City Council may establish a reasonable fee for this service.

CFD Costs Deposits and Reimbursements

All City and consultant costs incurred in the establishment of Districts shall be paid by the entities, if any, requesting establishment of the District.

Interpretation

The City Council is empowered to interpret these Goals and Policies. A finding by the City Council that a District conforms with the provisions of these Goals and Policies shall be conclusive evidence of such conformity.

Amendment

These Goals and Policies may be amended from time to time by resolution of the City Council.

Certification

I, Stephen B. Clayton, City Clerk of the City of Hemet, certify that this is a true and correct copy of the "Goals and Policies for the use of the Mello-Roos Community Facilities Act of 1982 with respect to districts for which debt will not be issued" adopted on August 23, 2005 by Resolution No. _____ of the City Council of the City of Hemet.

Stephen B. Clayton, City Clerk

Date

25-54

RESOLUTION NO. 3168

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET,
CALIFORNIA, ADOPTING A STATEMENT OF LOCAL GOALS
AND POLICIES CONCERNING THE USE OF THE
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982,
AS AMENDED**

WHEREAS, Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, now provides that the city may initiate proceedings to establish a community facilities district pursuant to the Act only if the city council has first considered and adopted local goals and policies concerning the use of the Act; and,

WHEREAS, the City Council desires to state its goals and policies concerning the use of the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals are all true and correct.

Section 2. That that the "City of Hemet Statement of Local Goals and Policies concerning the use of the Mello-Roos Community Facilities Act of 1982, as amended" is hereby adopted. A copy of this Statement is attached hereto as Exhibit "A" and a copy shall be kept on file in the Office of the City Clerk.

Section 3. This resolution shall become effective upon its adoption.

MOVED, PASSED AND ADOPTED this 27th day of June, 1995, by the following vote:

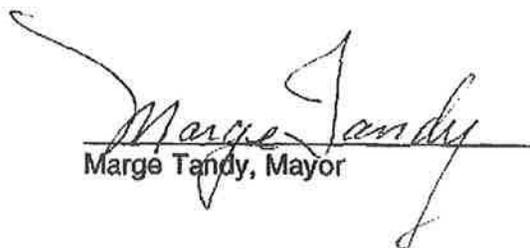
AYES: Council Members Lowe, Schroeder, VanArsdale, Venable and Tandy

NOES: None

ABSENT: None

ABSTAIN: None

ATTEST:


Marge Tandy, Mayor


Brenda Weckerle, City Clerk

APPROVED AS TO FORM:

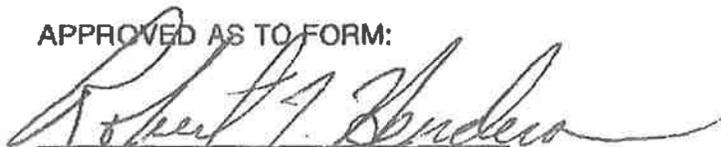

Robert Henderson, City Attorney

EXHIBIT "A"

**CITY OF HEMET
STATEMENT OF LOCAL GOALS AND POLICIES
CONCERNING THE USE OF THE
MELLO-ROOS COMMUNITY FACILITIES ACT
OF 1982, AS AMENDED**

Pursuant to Section 53312.7 of the California Government Code, the City Council of the City of Hemet (hereafter the "City Council") hereby states its goals and policies concerning the use of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (hereafter the "Act") in providing adequate public infrastructure improvements for the City of Hemet (the "City") including, but not limited to, street, traffic control, bridge, water, sewer and storm drain improvements and law enforcement, fire protection and suppression, library, parks and recreation, public works and general administration facilities. The following goals and policies shall apply to all community facilities districts (each a "CFD") hereafter formed by the City. Any policy or goal stated herein may be supplemented or amended or deviated from upon a determination by the City Council that such supplement, amendment or deviation is necessary or desirable, and any policy or goal stated herein shall be deemed amended or supplemented in the event, and as of the date, if ever, that such amendment or supplement is required to ensure compliance with the Act or any other laws of the State of California or federal laws of the United States of America.

1. Priority that Various Kinds of Public Facilities shall have for Financing through the Use of the Act

It is the policy of the City to give first priority to the provision through the use of the Act of public infrastructure improvements benefiting the City, which improvements may include, but are not limited to, street, traffic control, bridge, water, sewer and storm drain improvements and law enforcement, fire protection and suppression, library, parks and recreation, public works and general administration facilities. It is secondarily the policy of the City to assist in the provision of other public facilities when to do so will, in the sole discretion of the City Council acting as the legislative body of the affected CFD, result in a savings to taxpayers residing within or owning property within the City boundaries.

II. Credit Quality to be Required of Bond Issues, Including Criteria to be Used in Evaluating the Credit-Quality.

It is the policy of the City to refrain from the issuance of any CFD bonds unless at the time of issuance of any CFD bonds, (i) special tax revenues from that CFD are reasonably expected to provide at least 110% debt service coverage for each year of the term of such bonds; and (ii) such CFD establishes, and covenants to cause special taxes to be levied in an amount sufficient to maintain, for the term of such bonds, a reserve fund securing such bonds in an amount equalling the lowest of (1) ten percent (10%) of the original proceeds of such bonds, or (2) the largest amount, for any bond year during the term of such bonds, of principal and interest payable on such bonds, or (3) one hundred twenty-five percent (125%) of the average amount payable, for any bond year, of principal and interest on the outstanding bonds of such bond issue. Further, it is the policy of the City to comply with all provisions of the Act including, but not limited to, Section 53345.8, as such Section may be amended from time to time. If the criteria set forth above are met, such bond issues need not be rated by nationally-recognized rating agencies.

III. Steps to be Taken to Ensure that Prospective Property Purchasers are Fully Informed About Their Taxpaying Obligations.

It is the goal of the City that all taxpayers residing within, or owning property within, the boundaries of a CFD heretofore or hereafter established by the City will receive the form of notice required by Section 53341.5 of the Act, at the time set forth therein, as such Section may be amended from time to time. In order to comply with this goal, it is the policy of the City to provide Section 53340.2 notice of special tax to any individual requesting such notice or any owner of property subject to a special tax levied by the City within five working days of receiving a request for such notice.

IV. Criteria for Evaluating the Equity of Tax Allocation Formulas, and Concerning Desirable and Maximum Amounts of Special Tax to be Levied Against Any Parcel.

It is the goal of the City that each taxpayer residing within, or owning property within, the boundaries of any CFD hereafter established by the City pay special taxes which reflect, as nearly as practicable, such taxpayer's fair and reasonable share of their projected benefit from, and/or burden upon, the facilities to be financed by such CFD. It is the goal of the City that maximum Mello-Roos special taxes on residential owner-occupied property, when taken together with ad valorem taxes, any other special taxes levied pursuant to the Act and assessments applicable to such property, do not exceed in any year two percent (2%) of the greater of the assessed value or appraised value of such property. Nevertheless, special taxes on residential owner-occupied property, when taken together with ad valorem taxes, any other special taxes levied pursuant to the Act and assessments applicable to such property, may exceed in any year two percent (2 %) of the greater of the assessed value or appraised value of such property if the City determines at the time of formation of a CFD that over the term of the bonds, the special taxes, ad valorem taxes and assessments are expected to average two percent (2%) or less per year of the greater of the assessed value or appraised value of such property. It is further the policy of the City to comply with the provisions of Section 53321 of the Act with respect to the escalation of maximum taxes.

V. Definitions, Standards, and Assumptions to be Used in Appraisals Required by Section 53345.8.

It is the goal of the City to conform, as nearly as practicable, to the California Debt Advisory Commission's Appraisal Standards for Land-Secured Financings, as such Standards may be amended from time to time, provided, however, that this City Council may additionally amend such standards from time to time as it deems necessary and reasonable, in its own discretion, to provide needed infrastructure improvements within the City, while still accomplishing the goals set forth herein.
