

RESOLUTION NO. 05-007

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF SANTA BARBARA OF FORMATION
OF THE COUNTY OF SANTA BARBARA COMMUNITY
FACILITIES DISTRICT NO. 2004-1 (PROVIDENCE
LANDING), AUTHORIZING THE LEVY OF A SPECIAL
TAX WITHIN THE DISTRICT AND ESTABLISHING AN
APPROPRIATIONS LIMIT FOR THE DISTRICT**

WHEREAS, on August 10, 2004, the Board of Supervisors (the "Board of Supervisors") of the County of Santa Barbara (the "County") adopted a resolution entitled "A Resolution of the Board of Supervisors of the County of Santa Barbara of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes" (the "Resolution of Intention"), stating its intention to form a community facilities district (the "Community Facilities District") proposed to be named the County of Santa Barbara Community Facilities District No. 2004-1 (Providence Landing) pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act");

WHEREAS, on this date, the Board of Supervisors conducted a noticed public hearing originally scheduled for September 14, 2004 and continued to this date on the establishment of the Community Facilities District, as required by the Act and the Resolution of Intention;

WHEREAS, at or before the time of the hearing, the report required by Section 53321.5 of the Act was filed with the Board of Supervisors;

WHEREAS, at the hearing, the testimony of all interested persons and taxpayers for or against the establishment of the Community Facilities District, the extent of the Community Facilities District and the furnishing of the specified types of services was heard;

WHEREAS, the proposed boundaries of the Community Facilities District are shown on the map entitled "Proposed Boundary of Community Facilities District No. 2004-1 (Providence Landing), County of Santa Barbara, State of California" (the "Boundary Map"), which map was filed with the Clerk of the Board of Supervisors and was recorded in Book 4 at Page 24 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder; and

WHEREAS, no oral or written protests against the establishment of the Community Facilities District, the furnishing of any specified type or types of services within the Community Facilities District or the levying any specified special tax were made or filed at or before the hearing and the hearing was concluded on this date;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Barbara as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Community Facilities District is hereby established pursuant to the Act.

Section 3. The Community Facilities District is hereby named the “County of Santa Barbara Community Facilities District No. 2004-1 (Providence Landing).”

Section 4. The services (the “Services”) proposed to be financed by the Community Facilities District and funded by the special tax pursuant to the Act are services for maintenance of parks. The incidental expenses proposed to be incurred are the costs associated with the creation of the Community Facilities District, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District.

Section 5. The proposed special tax to be levied within the Community Facilities District has not been precluded by majority protest pursuant to Section 53324 of the Act.

Section 6. Except where funds are otherwise available, a special tax sufficient to pay for all Services, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (the “Rate and Method”), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit A attached hereto, which is by this reference incorporated herein. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the Board of Supervisors shall determine, including direct billing of the affected property owners.

Section 7. The name, address and telephone number of the office which will be responsible for preparing annually a current roll of special tax levy obligations by assessor’s parcel number and which will be responsible for estimating further special tax levies pursuant to Section 53340.1 of the Act are as follows: County Administrator Room 406, County of Santa Barbara, 105 East Anapamu Street, Santa Barbara, California 93101-2065, (805) 568-3400.

Section 8. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the Community Facilities District and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the Board of Supervisors ceases.

Section 9. The Boundary Map has been recorded in the County in Book 4 at Page 24 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

Section 10. The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the Community Facilities District is hereby established at Two Million Dollars (\$2,000,000).

Section 11. Pursuant to the provisions of the Act, the levy of the special tax and a proposition to establish the appropriations limit specified above shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The voting procedure shall be by mailed or hand-delivered ballot among the landowners in the Community

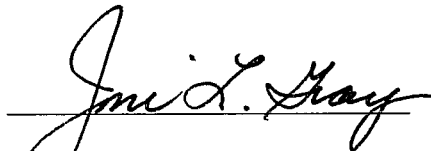
Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

Section 12. The Board of Supervisors hereby determines and finds that all proceedings up to and including the adoption of this Resolution were valid and in conformity with the requirements of the Act. In accordance with Section 53325.1 of the Act, such finding shall be final and conclusive.

Section 13. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 11th day of January, 2005, by the following vote:

- AYES: Supervisors Carbajal, Firestone, Gray
- NOES: None
- ABSENT: Supervisor Rose
- ABSTAIN: Supervisor Centeno



Vice-Chair, Board of Supervisors
County of Santa Barbara

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By Robert Cohen
Deputy Clerk

Approved as to Form:
Stephen Shane Stark
County Counsel

By [Signature]
Deputy County Counsel

Approved as to Form:
Robert W. Geis
Auditor-Controller

By Robert W. Geis
Deputy Auditor-Controller

EXHIBIT A

PROPOSED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

**FIRST AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT FOR
COUNTY OF SANTA BARBARA
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(Providence Landing)**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in County of Santa Barbara Community Facilities District No. 2004-1 (Providence Landing) ("CFD No. 2004-1") and collected each Fiscal Year commencing in Fiscal Year 2005-06, in an amount determined by the Board through the application of the appropriate Special Tax for "Residential Property" as described below. All of the real property in CFD No. 2004-1, unless exempted by law or by the provisions hereof, 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:

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2004-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the County or any designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs to the County, CFD No. 2004-1 or any designee thereof of complying with County, CFD No. 2004-1 or obligated persons disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the County, CFD No. 2004-1 or any designee thereof related to an appeal of the Special Tax; and the County's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the County or CFD No. 2004-1 for any other administrative purposes of CFD No. 2004-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number. "Assessor's Parcel" also includes all Legal Lots which have been created under the Subdivision Map Act but for which an Assessor's Parcel number has not yet been assigned.

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

"Board" means the Board of Supervisors of the County, acting as the legislative body of CFD No. 2004-1.

"CFD Administrator" means an official of the County, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2004-1" means County of Santa Barbara Community Facilities District No. 2004-1 (Providence Landing).

"County" means the County of Santa Barbara.

"Homeowner Property" means, for each Fiscal Year, all residentially zoned Assessor's Parcels not including Public Property and Property Owner Association Property which has been sold and transferred title to a homeowner as of May 1 of the Fiscal Year preceding the Fiscal Year for which Special Taxes are being levied.

"Final Map" means a subdivision of property creating buildable single family residential lots by recordation of a final map or a lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq., as such section may be amended or replaced), or recordation of a condominium plan pursuant to California Civil Code Section 1352, as such section may be amended or replaced, that creates individual lots for which land use permits may be issued without further subdivision.

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

"Legal Lot" means each legal parcel of land shown on a tentative or parcel map, a recorded subdivision map, or as evidenced by a certificate of compliance.

"Los Angeles Urban Consumer Price Index" means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles - Anaheim - Riverside Area, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the City of Los Angeles.

"Maximum Special Tax" means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C below, that can be levied in such Fiscal Year on any Assessor's Parcel.

"Property Owner Association Property" means, for each Fiscal Year, any Assessor's Parcel within the boundaries of CFD No. 2004-1 that is owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association.

"Proportionately" means that the ratio of the actual annual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Residential Property.

"Public Property" means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2004-1 that is owned by or irrevocably offered for dedication to the federal government, the State, the County or any other public agency; provided however that any

property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2004-1 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

"Reserves" shall mean an amount not to exceed \$347,100 in fiscal year 2005-2006. On each July 1, commencing on July 1, 2006, the amount will be increased annually by the greater of the change in the Los Angeles Urban Consumer Price Index during the twelve months prior to December of the previous Fiscal Year, or two percent (2%).

"Residential Property" means, for each Fiscal Year after the opening and conveyance of the Providence Landing Park to the County, all residentially zoned Assessor's Parcels not including Homeowner Property, Public Property and Property Owner Association Property.

"Services" means services for operation and maintenance of parks. CFD No. 2004-1 shall finance Services only to the extent that they are in addition to those provided in the territory of CFD No. 2004-1 before the CFD was created and such Services may not supplant services already available within CFD No. 2004-1 when the CFD was created. Additionally Services may include reserves for park maintenance.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Residential Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount to be collected in any Fiscal Year for CFD No. 2004-1 to pay for certain costs as required to meet the needs of the CFD in that Fiscal Year. The costs to be covered shall be the direct costs for (i) Services, (ii) Reserves, and (iii) Administrative Expenses; less (iv) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Special Tax Requirement include debt service payments for debt financings by CFD No. 2004-1.

"State" means the State of California.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessors Parcels as within CFD No. 2004-1 shall be classified as Homeowner Property, Residential Property, Property Owner Association Property, or Public Property. However, only Homeowner Property and Residential Property shall be subject to annual Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

1. Maximum Special Tax

The Maximum Special Tax for Fiscal Year 2005-06 for each Assessors Parcel of Homeowner Property and Residential Property is \$1,300 per Assessor's Parcel.

2. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2006, the Maximum Special Tax set forth above will be increased annually by the greater of the change in the Los Angeles Urban Consumer Price Index during the twelve months prior to December of the previous Fiscal Year, or two percent (2%).

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Board shall determine the Special Tax Requirement and shall levy the annual Special Tax Proportionately for each Assessor's Parcel As follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Homeowner Property at up to 100% of the applicable Maximum Annual Special Tax to satisfy the Special Tax Requirement;

Second: If the sum of the amounts collected in step one is insufficient to satisfy the Special Tax Requirement, then the Board shall Proportionately levy an annual Special Tax on each Assessor's Parcel of Residential Property in an amount up to the Maximum Special Tax applicable to each such Assessor's Parcel to satisfy the Special Tax Requirement.

E. EXEMPTIONS

No Special Tax shall be levied on Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, such Assessor's Parcel shall, upon each reclassification, no longer be exempt from Special Taxes.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the County Clerk, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CFD Administrator's determination. The CFD Administrator may charge the appellant a reasonable fee for processing the appeal.

Interpretations may be made by the Board by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2004-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

H. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Special Tax Requirement.