

RESOLUTION NO. 1995- 23

A RESOLUTION OF THE CITY OF BEAUMONT DECLARING ITS INTENTION TO ADOPT LOCAL PUBLIC AGENCY GOALS AND POLICIES FOR COMMUNITY FACILITIES DISTRICTS.

WHEREAS, the City Council (the "City Council") of the City of Beaumont (the "City") has established Community Facilities District No. 93-1 under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982" (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

WHEREAS, the Act now provides that any public agency initiating proceedings to establish a Community Facilities District first consider and adopt local goals and policies; and

WHEREAS, the City Council has determined to consider and adopt local goals and policies at this time;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEAUMONT AS FOLLOWS:

Section 1. All of the above recitals are true and correct.

Section 2. The City Council has considered the City of Beaumont Goals and Policies for Community Facilities Districts attached hereto as Exhibit A (the "Goals and Policies") and such Goals and Policies are hereby adopted. The Goals and Polices include the following:

- A. A statement of the priority that various kinds of public facilities have for financing through the use of the Act, including public facilities to be owned and operated by other public agencies, including school districts;
- B. A statement concerning the credit quality to be required of bond issues, including criteria to be used in evaluating the credit quality;
- C. A statement concerning steps to be taken to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under the Act;
- D. A statement concerning criteria for evaluating the equity of tax allocation formulas, and concerning desirable and maximum amounts of special tax to

be levied against any parcel pursuant to the Act; and

- E. A statement of definitions, standards, and assumptions to be used in appraisals required by Section 53345.8 of the Act.

Section 3. The officers of the City and their authorized representatives, are, and each of them acting alone is, hereby authorized to execute any and all documents and agreements and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose.

Section 4. This Resolution shall take effect immediately upon its adoption.

MOVED, PASSED AND ADOPTED this 8th day of May, 1995 by the following vote:

AYES: Mayor Pro Tem Parrott, Councilmembers Berg, Brey and Russo.

NOES: None.

ABSTAIN: None.

ABSENT: Mayor Leja.

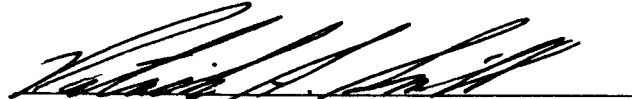

MAYOR OF THE CITY OF BEAUMONT

ATTEST:


CITY CLERK

CERTIFICATION

The foregoing is certified to be a true copy of Resolution No. 1995-23 duly adopted by the said City Council of the City of Beaumont on the date herein set forth.


CITY CLERK, CITY OF BEAUMONT

(SEAL)

**CITY OF BEAUMONT GOALS
AND POLICIES FOR
COMMUNITY FACILITIES DISTRICTS**

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**CITY OF BEAUMONT GOALS AND
POLICIES FOR COMMUNITY FACILITIES DISTRICTS**

I. INTRODUCTION

As of January 1, 1994, the Mello-Roos Community Facilities Act requires any public agency initiating proceedings to establish a Community Facilities District (CFD) to first consider and adopt local goals and policies related to CFDs. At a minimum, these goals and policies must include the following:

1. A statement of the priority that various kinds of public facilities will have for financing through a CFD. Public facilities to be owned and operated by public agencies other than the City must also be included in the statement of priorities.
2. A statement concerning the credit quality which is to be required of CFD bond issues. This statement must include criteria for evaluating credit quality.
3. A statement concerning the steps to be taken to ensure that prospective property purchasers are fully informed about the special taxes imposed on property within any CFD.
4. A statement concerning the criteria to be used for evaluating the equity of tax allocation formulas (i.e., special taxes allocated to different land use categories). This statement must include the desirable and maximum special tax levels to be levied against any CFD properties.
5. A statement establishing the criteria for preparing appraisals, including definitions, standards, and assumptions to be used in appraisals.

The following are the local goals and policies adopted by the City of Beaumont.

II. PRIORITIES FOR CFD FINANCING

Priority for CFD financing shall be given to public facilities which: (a) provide benefits of a regional nature, thereby serving not only the future residents of the CFD, but also the communities outside of the CFD, or (b) are found by the City to provide "significant public benefit." Once adequate provision has been made for facilities of a regional nature or those providing significant public benefit, the City may also choose to finance public improvements which primarily benefit residents within the CFD, or which provide less significant public benefit. The City has entered into cooperative agreements with the San Geronio Pass Water Agency, the Beaumont-Cherry Valley Water District and the Beaumont Unified School District. The provisions of these agreements shall be reviewed in connection with any CFD financing.

Determination of the facilities of a regional nature and those that provide a significant public benefit shall include public facilities needed or required by other public agencies to serve a project included within a CFD. If appropriate, the City shall prepare a public facilities financing plan as a part of the specific plan or other land use document that identifies the public facilities of each public agency required to serve a project, and the type of financing to be utilized for each facility.

The improvements eligible to be financed by a CFD must be owned and operated by a public agency, and must have a useful life which is greater than the term of the bond issue, except that up to five percent of the proceeds of an issue may be owned and operated by a privately-owned public utility. The development proposed within a CFD must be consistent with the general plan and must have already received legislative approvals such as zoning or specific plan approvals. The construction of improvements pursuant to a CFD shall not vest any rights to future entitlements on any properties, including those which are responsible for paying special taxes.

The list of eligible public facilities include, but are not limited to, the following:

- Streets
- Sewer mains
- Storm drains
- Water transmission mains
- Water, sewer or drainage pumping plants
- Street lighting
- Traffic signals and safety lighting
- Grading necessary to accommodate infrastructure, including retaining walls, drainage facilities and stabilization of land
- Parks and recreational facilities
- Elementary and secondary school sites and facilities
- Libraries
- Child care facilities
- Public utilities, including flood and storm drainage improvements
- Cultural facilities
- Police and fire protection facilities
- Government facilities
- Landscaping

The funding of public facilities to be owned and operated by public agencies other than the City shall be considered on a case-by-case basis. If the proposed financing is consistent with a public facilities financing plan approved by the City, or the proposed facilities are otherwise deemed to be appropriate for financing by a CFD and are consistent with approved land use plans for the property, the City shall consider entering into a joint financing agreement or joint powers authority in order to finance these facilities.

III. CREDIT QUALITY REQUIREMENTS FOR CFD BOND ISSUES

In order to minimize the likelihood of a CFD defaulting on its payment to bond holders, all CFD bond issues shall require at least a three to one property value to public lien ratio. Property value may be based on either an appraisal or on assessed values as indicated on the county assessor's tax roll. The appraiser shall be selected by the City, and the appraisal shall be based on criteria as described below under Section V of these goals and policies. The appraisal must be dated within six months of the date the bonds are issued. The public lien amount shall be based on the size of the bond issue currently being sold, plus any public indebtedness currently existing against the properties to be assessed. Although it is not required that the value to lien ratio be three to one on a parcel by parcel basis, consideration must be given to this ratio when apportioning special taxes to different parcels, to assure that CFD property owners will accept their responsibilities for paying the special taxes of each parcel.

A reserve fund equal to the lesser of (i) ten percent of the original proceeds of the bond issue, (ii) the maximum annual debt service on all outstanding bonds, or (iii) 125 percent of the average annual debt service on all outstanding bonds shall be required for all bond issues in CFDs where less than 95 percent of the buildable acreage has been developed. A smaller reserve fund may be required by the City for bond issues in CFDs where over 95 percent of the buildable acreage has been developed.

Property tax delinquency rates on parcels included in a CFD must be no greater than ten percent on the date on which bonds are issued for that CFD. Each bond issue may require a current (dated within six months) CFD absorption study prepared by a consultant hired by the City, if the City determines that such objective data is necessary to analyze the feasibility of the project. An inadequate property value to public lien ratio, tax delinquencies in excess of ten percent, or projects of questionable economic viability may cause the City to disallow the sale of bond issues or require additional credit enhancement prior to bond sale.

The City may consider exceptions to the above policies for bond issues that do not represent an unusual credit risk, either due to credit enhancement or other reasons specified by the City. Furthermore, the City will consider exceptions to these policies for projects which meet the public policy goals relating to affordable housing and creation of employment opportunities or tax revenues.

Bond issues which have less than a three to one value to lien ratio but are approved by the City for public policy reasons must be approved by four-fifths of the members of the City's legislative body.

IV. DISCLOSURE REQUIREMENTS FOR PROSPECTIVE PROPERTY PURCHASERS

DISCLOSURE REQUIREMENTS FOR BUILDERS AND DEVELOPERS

Builders who are selling new homes and developers who are selling lots or parcels that are within a CFD shall provide disclosure notice to purchasers of property that complies with all of the requirements of Section 53341.5 of the Government Code. The form of the notice to be provided shall be substantially equivalent to that shown in Exhibit 1. Modifications to this form shall only be allowed when necessary to more accurately describe the characteristics and tax structure of the CFD.

The disclosure notice must be provided to prospective purchasers of property at or prior to the time the contract or deposit receipt for the purchase of property is executed. A prospective purchaser of property has three days after delivery of the disclosure document in person, or five days after the document was deposited in the mail, to terminate an agreement for the purchase of property. Builders and developers are required to keep an executed copy of each disclosure document to prove that disclosure has been provided to all purchasers of property within a CFD.

Builders and developers shall be encouraged to develop a program to inform prospective purchasers about a CFD and its related special tax liabilities prior to the date on which a purchase agreement or deposit receipt is executed. The City may require that all advertising for properties within a CFD state that the property is within a CFD and is subject to special taxes, unless the builder or developer has instituted a program to otherwise inform prospective buyers about the CFD.

DISCLOSURE REQUIREMENTS FOR THE RESALE OF HOMES OR LOTS

The City's department which is designated to determine the special tax liability each year shall also be designated to provide a notice of special taxes to sellers of property (other than builders or developers) which will enable them to comply with their notice requirements under Section 1102.6 of the Civil Code. This disclosure shall be in a form substantially equivalent to that shown in Exhibit 2. This notice shall be provided by the City within five working days of receiving a request for the notice. A reasonable fee may be charged for providing the notice.

The City's department which is designated to determine the special tax liability each year shall also establish procedures to promptly respond to inquiries concerning current and future special tax liability.

V. EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES

Special tax formulas shall provide for special tax levels which satisfy the following expenses of a CFD:

- 110 percent gross debt service coverage for all bonded indebtedness
- the reasonable and necessary administrative expenses of the CFD
- amounts equal to the differences between expected earnings on any escrow fund and the interest payments due on bonds of the CFD

Additionally, the special tax formula may provide for the following:

- lease payments for existing or future facilities
- the costs of remarketing, credit enhancement and liquidity facility fees
- the cost of acquisition, construction, furnishing or equipping of facilities
- the accumulation of funds reasonably required for future debt service
- any amounts required to establish or replenish any reserve fund established in association with the indebtedness of the CFD
- amounts equal to projected delinquencies of special tax payments
- any other costs or payments permitted by law
- costs associated with the release of funds from an escrow account

The special tax formula shall be reasonable and equitable in allocating public facilities costs to parcels within the CFD. Exemptions from the special tax may be given to parcels which are publicly owned, are held by a property owners association, are used for a public purpose such as open space or wetlands, are affected by easements making impractical their utilization for other than the purposes set forth in the easements, or have insufficient value to support bonded indebtedness.

The total projected property tax levels for any residential parcel within a CFD shall not exceed two percent of the projected initial sales price of a fully developed parcel (i.e., with a completed structure). The total projected property tax level shall include ad valorem property taxes, special taxes, special assessments, and other direct and overlapping debt supported by property taxes. Commercial properties which provide economic benefits to the City may exceed the two percent property tax level if approved by the City.

The maximum special tax for any developed residential parcel shall not increase at a rate greater than two percent annually. The special taxes formula should be structured such that special taxes levied on developed property are consistent year to year. Changes in the special tax needs from year to year should, to the degree possible, be borne by undeveloped property. Under no circumstances shall the special tax levied on any parcel of developed property be increased by more than ten percent as a consequence of delinquency or default by the owner of any other parcel.

VI. APPRAISAL STANDARDS

A. Definition of Appraisal

An appraisal is a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

B. Standards of Appraisal

A detailed appraisal shall be prepared for complex appraisal problems. A detailed appraisal shall reflect nationally recognized appraisal standards including, to the extent appropriate, the Uniform Appraisal Standards for Federal Land Acquisition. An appraisal must contain sufficient documentation including valuation data and the appraiser's analysis of the data to support his or her opinion of value. At a minimum, the appraisal shall contain the following items:

- a. The purpose and/or the function of the appraisal, a definition of the property being appraised, and a statement of the assumptions and limiting conditions affecting the appraisal.
- b. An adequate description of the physical characteristics of the property being appraised, location, zoning, present use, and an analysis of highest and best use.
- c. All relevant and reliable approaches to value consistent with commonly accepted professional appraisal practices. If a discounted cash flow analysis is used, it should be supported with at least one other valuation method, such as a market approach using sales that are at the same stage of land development. If more than one approach is utilized, there shall be an analysis and reconciliation of approaches to value that are sufficient to support the appraiser's opinion of value.
- d. A description of comparable sales, including a description of all relevant physical, legal and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
- e. A statement of the value of real property.

- f. The effective date of valuation, date of appraisal, signature and certification of the appraiser.

C. Conflict of Interest

No appraiser or review appraiser shall have any interest direct or indirect in the real property being appraised for the City that would in any way conflict with the preparation or review of the appraisal.

D. Appraisal Premises

The appraisal should contain two or three values which shall be determined by the public agency and its consultants.

1. Raw Land Value. (Premise #1). The total land within the project is valued "as is":
 - a. With any existing infrastructure.
 - b. Without proposed infrastructure being financed.
 - c. With existing parcel configuration.
 - d. Considering planned densities allowed by the specific plan of the project.

This is a typical type of land valuation.

2. Project Build-out Value. (Premise #2). The total land within the project is valued under projected conditions.
 - a. With proposed infrastructure being financed completed.
 - b. At the planned densities allowed by the existing entitlements.
 - c. Land development is at the stage of being marketed to merchant builders or tentative tract maps ready to be filed.

This is a projected value based on project plans predicated on market conditions continuing as projected.

3. Bulk Land Value. (Premise #3). The total land within the project is valued under projected conditions:
 - a. With proposed infrastructure being financed completed.
 - b. With existing parcel configuration.
 - c. Considering planned densities allowed by the special plan of the project.

This premise should consider a discounted or "quick sale" valuation considering time, cost and the possibility of a per unit value based on the total size of the project.

VII. PRIORITY ATTENDANCE ACCESS POLICIES (FOR SCHOOL DISTRICT ISSUES)

The special taxes paid by CFD property owners to fund new school facilities, or improvements to existing school facilities, constitute an additional financial burden beyond the standard ad valorem property tax payments made by other property owners in the school district. As a result of this inequity, the City has determined that the City shall recommend to the applicable School District that the joint financing agreement with the school district specify the extent to which students residing within the CFD shall be given priority for attending those facilities which are being fully or partially funded by the CFD in which they reside.

The City shall recommend that the degree of priority for a given school facility that is to be assigned to a student residing within a CFD be based on the proportion of that facility which is being funded by that CFD. For example, if CFD No. 1 is funding 40 percent of a school facility, while CFD No. 2 is funding 20 percent of that same facility, the students residing in CFD No. 1 would receive a first priority for attendance at the facility in proportion to the funding provided by the CFD. Students from CFD No. 2 would be given priority for any remaining classroom seats after the pro rata portion of students residing in CFD No. 1 have been given the opportunity to attend the facility. Students from outside these two CFDs would only be allowed to occupy seats in the facility which remained available after the applicable pro rata portions of students from both CFDs had been given a chance to attend the school.

Notwithstanding the CFD priority attendance access policies stated above, a school district may incorporate attendance policies which are not consistent with these access policies if necessary to implement district goals to achieve ethnic, racial or socioeconomic diversity; federal, state, or court mandates; transportation needs and safe pedestrian routes; grade levels for which facilities were designed; and continuity of schooling for students within any single school year.

VIII. OTHER MATTERS

The City Council may, with respect to a particular CFD, consider additional policies to those required by the Mello-Roos Community Facilities Act, including policies related to developer deposits for formation expenses, bond refundings, foreclosure covenants, and other issues.

EXHIBIT 1

NOTICE OF SPECIAL TAX [see Note 1]

CITY OF BEAUMONT

COMMUNITY FACILITIES DISTRICT NO. ____

COUNTY OF RIVERSIDE, CALIFORNIA

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

(1) This property is subject to a special tax, which is in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the parcel. It is imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The maximum special tax which may be levied against this parcel to pay for public facilities is \$_____ during the ____-__ tax year [see Note 2]. This amount will increase by __ percent per year after that [see Note 3]. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid, but in any case not after the ____-__ tax year [see Note 4]. An additional special tax will be used to pay for ongoing service costs, if applicable. The maximum amount of this tax is _____ dollars (\$____) during the ____-__ tax year. This amount may increase by _____, if applicable, and that part may be levied until the ____-__ tax year (or forever, as applicable) [see Note 5].

(3) The authorized facilities which are being paid for by the special taxes, and by the money received from the sale of bonds which are being repaid by the special taxes, are:

[see Note 6].

These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

In addition, the special taxes may be used to pay for costs of the following services:

[see Note 7].

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE COMMUNITY FACILITIES DISTRICT, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE _____ BY CALLING _____ [see Note 8]. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

DATE: _____

Notes to the CFD Disclosure

Note 1: The heading must be in type no smaller than eight point type.

Note 2: Provide the maximum special tax that can be levied on a unit in a particular year (usually the first year the tax can be levied). The maximum tax on the specific unit being purchased by the buyer must be disclosed; if the backup tax is the maximum tax, this tax must be determined and disclosed for the particular unit that is being purchased. It is recommended that a separate disclosure form be prepared for each unit in a subdivision.

Note 3: This applies to the increase in the maximum special tax, not the potential increase in the tax actually levied.

Note 4: If it can be ascertained, disclose the last fiscal year in which the tax will be levied and collected. For districts formed prior to January 1, 1993, this information may not be known, and therefore, cannot be disclosed.

Note 5: If special taxes in excess of the special taxes explained in notes 1-3 will be collected to pay for public services, these taxes must be disclosed here. The disclosure requirements are the same as the disclosure explained by notes 1-3.

Note 6: The facilities being financed by the special taxes must be described. The description may be general and may include alternatives and options, but it must be sufficiently informative to allow the home buyer to understand what the funds of the district will be used to finance.

Note 7: The same requirements explained in note 5, except that services to be paid for by the CFD must be described.

Note 8: Provide the office of the City in which the prospective buyer may obtain a copy of the resolution of formation and the phone number to call to obtain the resolution.

EXHIBIT 2

NOTICE OF SPECIAL TAX [see Note 1]

CITY OF BEAUMONT

COMMUNITY FACILITIES DISTRICT NO. _____

COUNTY OF RIVERSIDE, CALIFORNIA

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR PURCHASING THIS PROPERTY.

This property is subject to a special tax, which is in addition to the regular property taxes and any other charges and benefit assessments on the parcel. This special tax may not be imposed on all parcels within the city or county where the property is located. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property. **YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE PUBLIC FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.**

(2) The maximum special tax which may be levied against this parcel to pay for public facilities is \$_____ during the ____-____ tax year [see Note 2]. This amount will increase by ____ percent per year after that [see Note 3]. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid, but in any case not after the ____-____ tax year [see Note 4].

An additional special tax will be used to pay for ongoing services, if applicable. The maximum amount of this tax is _____ dollars (\$____) during the ____-____ tax year. This amount may increase by _____, if applicable, and may be levied until the ____-____ tax year (or forever, as applicable) [see Note 5].

(3) The authorized facilities which are being paid for by the special taxes, and by the money received from the sale of bonds which are being repaid by the special taxes, are:

[see Note 6].

These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

In addition, the special taxes may be used to pay for costs of the following services:

[see Note 7].

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE COMMUNITY FACILITIES DISTRICT, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE _____ BY CALLING _____ [see Note 8]. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE RECEIVED A COPY OF THIS NOTICE. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT AFTER RECEIVING THIS NOTICE FROM THE OWNER OR AGENT SELLING THE PROPERTY. THE CONTRACT MAY BE TERMINATED WITHIN THREE DAYS IF THE NOTICE WAS RECEIVED IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER OR AGENT SELLING THE PROPERTY.

DATE: _____

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Note 5: If special taxes in excess of the special taxes explained in notes 1-3 will be collected to pay for public services, these taxes must be disclosed here. The disclosure requirements are the same as the disclosure explained by notes 1-3.

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Note 7: The same requirements explained in note 5, except that services to be paid for by the CFD must be described.

Note 8: Provide the office of the City in which the prospective buyer may obtain a copy of the resolution of formation and the phone number to call to obtain the resolution.

STAFF REPORT

To: Mayor and Council Members
From: Community and Economic Development Department
Date: May 8, 1995
Subject: Resolution Declaring the Intention of the City to Adopt Local Public Agency
Goals and Policies for Community Facilities Districts

BACKGROUND:

The City of Beaumont has formed Community Facilities District 93-1 and is contemplating future annexations to the district for construction of public improvements and maintenance of public facilities. The Mello-Roos and Community Facilities District Act of 1982 as Amended (the Act) requires public agencies to adopt goals and policies for community facility districts prior to any future annexations of financings.

ANALYSIS:

The proposed resolution would establish the attached goals and policies for community facility districts in the City. The goals and policies are consistent with the Act and include the following general provisions:

- A. A statement of the priority that various kinds of public facilities have for financing through the use of the Act, including public facilities to be owned and operated by other public agencies, including school districts;
- B. A statement concerning the credit quality to be required of bond issues, including criteria to be used in evaluating the credit quality;
- C. A statement concerning steps to be taken to ensure that prospective property purchases are fully informed about their taxpaying obligations imposed under the Act;
- D. A statement concerning criteria for evaluating the equity of tax allocation formulas, and concerning desirable and maximum amounts of special tax to be levied against any parcel pursuant to the Act; and

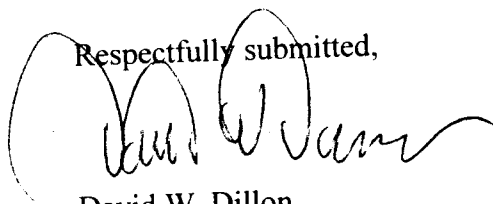
- E. A statement of definitions, standards, and assumptions to be used in appraisals required by Section 53345.8 of the Act.

RECOMMENDATION:

Staff recommends:

1) ADOPTION of the Resolution of the City of Beaumont Declaring its Intention to Adopt Local Public Agency Goals and Policies for Community Facilities Districts.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David W. Dillon", with a large, stylized flourish at the end.

David W. Dillon,
Economic Development Director