

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
MORENO VALLEY COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(PARKS MAINTENANCE)**

A Special Tax shall be levied and collected in the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) ("CFD 2021-01") each Fiscal Year, in an amount determined by the application of the procedures described below. All Taxable Property (as defined below) in CFD 2021-01, unless exempted by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

I. DEFINITIONS

The terms used herein shall have the following meanings:

"Accessory Dwelling Unit" means an Accessory Dwelling Unit that is authorized by Section 9.09.130 of the Moreno Valley Municipal Code.

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event the Assessor's Parcel Map or Assessor's Data shows no Acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map. If the preceding maps are not available, the Acreage of an Assessor's Parcel may be determined utilizing GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

"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 (Section 53311 *et seq.*).

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD 2021-01: the costs of computing the Annual Special Tax Requirement and the annual Special Tax and of preparing the annual Special Tax collection schedules; the costs of collecting the Special Tax, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the Community Services District or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Tax; the costs of the Community Services District or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any foreclosure action arising from any delinquent Special Tax in CFD 2021-01.

"Agricultural Property" means all Assessor's Parcels devoted primarily to agricultural, timber, or livestock uses and being used for the commercial production of agricultural, timber, or livestock products.

"Annual Services Costs" means the amounts required to fund services authorized to be funded by CFD 2021-01.

“Annual Special Tax Requirement” means that amount with respect to CFD 2021-01 determined by the Board of Directors or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with CFD 2021-01, and (4) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

“Assessor’s Data” means Units, Building Square Footage, Acreage, or other information contained in the records of the County Assessor for each Assessor’s Parcel.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessment’s Parcel by the County Assessor for purposes of identification.

“Building Square Foot(age)” means the structure square footage as shown on the building permit issued by the City or as contained in the Assessor’s Data.

“Board of Directors” means the Board of Directors of the Moreno Valley Community Services District, acting as the legislative body of CFD 2021-01.

“CFD 2021-01” means the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance), County of Riverside, State of California.

“CFD Administrator” means the person responsible for administering the Special Tax in accordance with this Rate and Method of Apportionment.

“City” means the City of Moreno Valley, County of Riverside, California.

“Commercial Property” means all Assessor’s Parcels of Developed Property (other than Office Property or Industrial Property) with a non-residential use, according to Assessor’s Data or as otherwise known by the CFD Administrator.

“Community Services District” means the Moreno Valley Community Services District.

“County” means the County of Riverside, California.

“Developed Property” means, in any Fiscal Year, all Taxable Property in CFD 2021-01 (i) that is improved with one or more structures that were in place on March 1 of the preceding Fiscal Year and were built subsequent to the inclusion of the territory of the Taxable Property in the Community Services District, (ii) for which a building permit for new construction was issued by the applicable land use authority prior to March 1 of the preceding Fiscal Year and/or (iii) is Mobile Home Property.

“Exempt Property” means all property located within the boundaries of CFD 2021-01 which is exempt from the Special Tax pursuant to Section V below.

“Fiscal Year” means the period from July 1st of any calendar year through June 30th of the following calendar year.

“GIS” means a geographic information system.

“Industrial Property” means all Assessor’s Parcels of Developed Property with an industrial use, according to Assessor’s Data or as otherwise known by the CFD Administrator.

“Maximum Special Tax” means the maximum Special Tax authorized for levy in any Fiscal Year that may apply to Taxable Property as described in Section III.

“Mixed-Use Property” means all Assessor’s Parcels of Developed Property that is imposed with a mix of two or more of single family residential, multi-family residential, mobile home, office, commercial or industrial uses. For an Assessor’s Parcel of Mixed-Use Property, the Special Tax shall be calculated and levied for each use type present on the Assessor’s Parcel.

“Mobile Home Property” means all Assessor’s Parcels of Developed Property with (i) one or more movable or portable dwellings connected to utilities and/or (ii) a building permit or other permit from the City to install utility connections at one or more space for a movable or portable dwelling. Units are the larger of (i) the number of movable or portable dwellings connected to utilities on the Assessor’s Parcel or (ii) the number of spaces authorized under building permits for such connections.

“Multi-Family Property” means all Assessor’s Parcels of Developed Property that either (i) include two or more Units or (ii) include only a single Unit of a larger structure that is part of condominium project as that term is defined in Civil Code Section 4125 or a townhome.

“Office Property” means all Assessor’s Parcels of Developed Property used as offices, including medical, dental offices and office condominiums, according to Assessor’s Data or as otherwise known by the CFD Administrator.

“Property Owner’s Association” means any property owner’s association. As used in this definition, a Property Owner’s Association includes any home-owner’s association, condominium owner’s association, master or sub-association.

“Property Owner’s Association Property” means any property which is (a) owned by a Property Owner’s Association or (b) designated with specific boundaries and acreage on a final subdivision map as property owner association property.

“Proportionately” means, for Developed Property that the ratio of the Special Tax levy to the Maximum Special Tax is equal for all Assessors’ Parcels of Developed Property within CFD 2021-01.

“Public Property” means any property owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public or private road right-of-way making the property unusable for any other purpose has been granted to the federal government, the State of California, the County, the City, the Community Services District, or any local government or other public agency.

“Single Family Property” means all Parcels of Developed Property with one permanent dwelling Unit,

according to Assessor's Data or as otherwise known by the CFD Administrator. Single Family Property does not include any property that is considered Multi-Family Property.

"Special Tax" means the amount levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Annual Special Tax Requirement.

"Tax Escalation Factor" means the greater of the increase in the annual percentage change in the Consumer Price Index (CPI) for All Urban Consumers for the Riverside-San Bernardino-Ontario County Region as published by the Department of Labor's Bureau of Labor Statistics or five percent (5%). If the CPI for the Riverside-San Bernardino-Ontario County area is discontinued, the CFD administrator may replace it with a similar index for the purposes of calculating the Annual Escalation Factor.

"Tax Zone" means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. ***All the Taxable Property within CFD 2021-01 at the time of its formation is within Tax Zone No. 1.*** Additional Tax Zones may be created when property is annexed to CFD 2021-01, and a separate Maximum Special Tax shall be identified for property within each new Tax Zone at the time of such annexation. The Assessor's Parcels included within a new Tax Zone when such Parcels are annexed to CFD 2021-01 shall be identified by Assessor's Parcel number in the annexation documents at the time of annexation.

"Taxable Property" means all Parcels within the boundary of CFD 2021-01 that are not Exempt Property or exempt from the Special Tax pursuant to the Act.

"Undeveloped Property" means all Parcels of Taxable Property that are not Developed Property.

"Unit" means any individual single family detached or attached home, townhome, condominium, apartment, mobile home or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure. An Accessory Dwelling Unit on a Parcel of Single Family Property shall be considered a separate Unit for purposes of calculating the Special Tax.

"Welfare Exempt Property" means all Parcels within the boundaries of CFD 2021-01 receiving a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code.

II. DETERMINATION OF TAXABLE PARCELS

On or about July 1 of each Fiscal Year, the CFD Administrator shall determine the Annual Special Tax Requirement for that Fiscal Year and shall identify each parcel of Taxable Property within CFD 2021-01. The property type, APN and characteristics of each such parcel should be updated based on the most current information reasonably available to the CFD Administrator, and a tax amount determined for each parcel as set forth in Section III, below.

III. SPECIAL TAX - METHOD OF APPORTIONMENT

All Taxable Property shall be subject to a Special Tax defined as follows.

The Special Tax shall be levied each Fiscal Year by the CFD Administrator. The Annual Special Tax Requirement shall be apportioned to each Parcel within CFD 2021-01 by the method shown below.

- First. Determine the Annual Special Tax Requirement.
- Second. Levy the Special Tax on each Parcel of Developed Property, Proportionately, up to the Maximum Special Tax described in the table below to satisfy the Annual Special Tax Requirement.

Under no circumstances will the Special Tax on any Assessor’s Parcel of Developed Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor’s Parcel within CFD No. 2021-01.

TABLE 1
MAXIMUM SPECIAL TAX RATES – TAX ZONE NO. 1
FISCAL YEAR 2021/22*

Property Type	Maximum Special Tax Rate	Per
Single Family Property	\$291.59	Unit
Multi-Family Property	291.59	Unit
Mobile Home Property	291.59	Unit
Commercial Property	18.69	1,000 Feet of Building Square Footage
Office Property	31.12	1,000 Feet of Building Square Footage
Industrial Property	9.07	1,000 Feet of Building Square Footage
Undeveloped Property	0	Parcel

**On each July 1, commencing on July 1, 2022, the Maximum Special Tax Rate for each Tax Zone shall be increased by the Tax Escalation Factor.*

Except as otherwise specifically provided in this document in the definition of Mobile Home Property, taxes shall be calculated based on the combined characteristics as of March 1 of the preceding Fiscal Year of (i) all improvements located on a parcel that were constructed after the territory of the parcel became a part of the Community Facilities District and (ii) all unbuilt improvements on the parcel for which a building permit has been issued.

Tax Zone No. 1 is the initial (and only) Tax Zone in CFD 2021-01. Other Tax Zones may be created in the future via the designation of annexation areas.

In some instances, an Assessor’s Parcel of Developed Property may be Mixed-Use Property. The Maximum Special Tax levied on an Assessor’s Parcel shall be the sum of the Maximum Special Tax for all Units and Building Square Feet of each property type on that Assessor’s Parcel.

IV. FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The Special Tax may not be prepaid.

V. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Agricultural Property, Property Owner Association Property, Welfare Exempt Property or Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

VI. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

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

VII. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the Community Services District may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD 2021-01, and may collect delinquent Special Taxes through foreclosure or other available methods.

A Special Tax shall continue to be levied and collected within CFD 2021-01, as needed to fund the Annual Special Tax Requirement, in perpetuity.

VIII. APPEAL OF SPECIAL TAX LEVY

Any taxpayer that believes that the amount of the Special Tax assigned to a Parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year the error is believed to have occurred. The CFD Administrator or its designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the CFD Administrator determines that the tax should be changed the Special Tax levy shall be corrected and, if applicable, a refund shall be granted.

The decision of the CFD Administrator may be appealed by the Taxpayer to the Board of Directors within 30 days of the issuance of a written determination by the CFD Administrator. Any decision of the Board of Directors shall be final.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action.