

DATE SUBMITTED 12/10/2024
SUBMITTED BY COMMUNITY DEVELOPMENT DIRECTOR
DATE ACTION REQUIRED 12/18/2024

COUNCIL ACTION (X)
PUBLIC HEARING REQUIRED (X)
RESOLUTION (X)
ORDINANCE 1ST READING ()
ORDINANCE 2ND READING ()
CITY CLERK'S INITIALS ()

**IMPERIAL CITY COUNCIL
AGENDA ITEM**

SUBJECT: PUBLIC HEARING/DISCUSSION/ACTION; ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICT NO. 2024-1 FOR MORNINGSIDE SUBDIVISION

1. Adopt Resolution No. 2024-55 Establishing the City of Imperial Community Facilities District No. 2024-1 and the Boundaries thereof for Morningside Subdivision.
2. Adopt Resolution No 2024-56 calling a special election and submitting to the voters of the City of Imperial Community Facilities District No 2024-1 a proposition with respect to the annual levy of special taxes within said Community Facilities District to pay the costs of certain services to be provided by the Community Facilities District and a proposition with respect to establishing an appropriations limit for said Community Facilities District and conduct the special election.
3. Adopt Resolution 2024-57 declaring results of the special election for Community Facilities District No. 2024-1 on the Propositions with respect to (I) the annual levy of special taxes to pay the costs of certain services to be provided by the Community Facilities District and (II) establishing an appropriations limit.

DEPARTMENT INVOLVED: COMMUNITY DEVELOPMENT DEPARTMENT

BACKGROUND/SUMMARY:

On November 6, 2024, the City Council adopted a Resolution of Intention declaring its intention to form Community Facilities District 2024-1 (CFD No. 2024-1) for the Morningstar Subdivision to finance certain types of services, such as maintenance and lighting of parks, parkways, and open spaces and maintenance of recreational facilities. Staff, with the assistance of the consulting firm Koppel and Gruber Public Finance, have prepared the legal documents for a special election necessary for the formation of the Morningside Subdivision CFD 2024-01, which requires a special election and a yes vote by the majority (50%) of the property owners. The same property owner, Heritage at Dahlia Ranch LLC, represents 70 of the votes and Rev Homes LLC, represents the remaining 4 votes required for voter approval of the CFD formation.

FISCAL IMPACT: The CFD's collected will cover the costs of maintaining the infrastructure and services within the CFD boundaries, including administrative costs associated with tax levy collection.

ADMIN SERVICES SIGN INITIALS JMG

STAFF RECOMMENDATION: Staff recommends the adoption of Resolution 2024-55, Resolution 2024-56 and Resolution 2024-57.

DEPT. INITIALS

OM

CITY MANAGER'S RECOMMENDATION:

approve resolutions

CITY
MANAGER'S
INITIALS

VTM

MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REFERRED TO:

REJECTED ()

DEFERRED ()

RESOLUTION NO. 2024-55

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL
ESTABLISHING THE CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT
NO. 2024-1, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, AND THE
BOUNDARIES THEREOF FOR MORNINGSTAR SUBDIVISION**

WHEREAS, the City Council of the City of Imperial (the “City Council”) adopted Resolution No. 2024-1, stating that a community facilities district to be known as the “City of Imperial Community Facilities District No. 2024-1, County of Imperial, State of California” (the “Community Facilities District”), is proposed to be established under the provisions of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982” (the “Act”), and fixing the time and place for a public hearing on the formation of the Community Facilities District; and

WHEREAS, notice was published and mailed to the owners of property in the Community Facilities District as required by law relative to the intention of the City Council to establish the Community Facilities District and the levy of the special taxes therein to provide certain services, and of the time and place of said public hearing; and

WHEREAS, on at 7:00 pm on December 18th, at the time and place specified in said published and mailed notices, the City Council opened and held a public hearing as required by law relative to the formation of the Community Facilities District, the levy of the special taxes therein, and the provision of services by the Community Facilities District; and

WHEREAS, prior to the commencement of said public hearing, there was filed with the City Council a report (the “Report”) containing a description of the services being financed within and for the Community Facilities District, and an estimate of the cost of providing such services, as required by Section 53321.5 of the California Government Code; and

WHEREAS, at the public hearing, all persons desiring to be heard on all matters pertaining to the formation of the Community Facilities District, the levy of the special taxes, and the provision of services therein were heard, and a full and fair hearing was held; and

WHEREAS, the City Council may therefore proceed to establish the Community Facilities District.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Imperial as follows:

Section 1. Findings. The City Council finds as follows:

1. All of the preceding recitals are true and correct and are incorporated herein by this reference.
2. All prior proceedings with respect to the formation of the Community Facilities District conducted by the City Council were valid and in conformity with the requirements of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.

Section 2. Formation of the District. The City of Imperial Community Facilities District No. 2024-1, County of Imperial, State of California, is hereby established. The boundaries of the Community Facilities District are described and shown on the map entitled “Proposed Boundaries of City of Imperial Community Facilities District No.2024-1, County of Imperial, State of California,” which is on file with the City Clerk.

Section 3. Types of Services; Incidental Expenses. It is proposed that the Community Facilities District shall provide and finance the following services:

- Maintenance and lighting of parks, parkways, and open space.
- Maintenance of recreational facilities.

Section 4. Special Taxes. Special taxes sufficient to pay the costs of the services provided for in Section 3 above and the annual administrative expenses of the City and the Community Facilities District in determining, apportioning, levying, and collecting such special taxes shall be annually levied within the Community Facilities District. The rates and method of apportionment of said special taxes shall be set forth in Exhibit “A” attached hereto.

Section 5. Exempt Properties. Properties owned by entities of the state, federal, and local governments shall be exempt from the levy of special taxes of the proposed Community Facilities District.

Section 6. Report. The Report is hereby approved and is made a part of the record of the public hearing regarding the formation of the Community Facilities District and is ordered to be kept on file with the City Clerk as part of the transcript of these proceedings.

Section 7. Voting Procedures. The voting procedures to be followed in conducting the special election on the propositions with respect to (i) the levy of special taxes on taxable property within the Community Facilities District to pay the costs of the services to be provided by the Community Facilities District, and (ii) establishing an appropriations limit for the Community Facilities District, shall be as follows:

1. Conduct of the Election: The special election shall be conducted by the City Clerk pursuant to the California Elections Code governing mail ballot elections of cities, specifically Division 4 (commencing with Section 4000) of the Elections Code, insofar as they may be applicable.
2. Date of the Election: The Special Election shall be held on the earliest date, following the adoption by the City Council of this Resolution and a resolution pursuant to Section 53326 of the California Government Code, upon which such election can be legally held.
3. Mail Ballots: Ballots for the Special Election shall be distributed to the qualified electors by the City Clerk either by mail with return postage prepaid or by personal service.
4. Qualified Electors: If fewer than 2 persons are registered to vote within the territory of the Community Facilities District, the vote in the Special Election shall be by the landowners of the Community Facilities District whose property would be subject to the special taxes if they were levied at the time of the election. Each landowner shall have one vote for each acre, or portion thereof, that he or she owns within the Community Facilities District.
5. Ballot Format: The official ballot shall clearly present the propositions regarding the levy of special taxes and the appropriations limit, and include instructions for the qualified electors to cast their votes.
6. Certification of Ballots: The return identification envelope for the ballots shall include a certification that the individual casting the vote is the qualified elector or an authorized representative of the landowner entitled to vote.
7. Canvassing of Votes: The City Clerk shall canvass the votes upon receipt of the return identification envelopes prior to the voting deadline and report the results to the City Council, including a statement regarding the outcome of each proposition presented on the official ballot.
8. Resolution of Results: The City Council shall declare the results of the Special Election in accordance with the outcome reported by the City Clerk, and the election results shall be recorded in the official minutes of the City Council meeting.
9. Waiver of Time Limits: Pursuant to Section 53326 of the California Government Code, if all qualified electors waive the time limits for conducting the Special Election by

unanimous written consent, the election may be conducted at an earlier date as agreed upon by the City Clerk and the landowners.

Section 8. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end, the provisions of this Resolution are declared to be severable.

Section 9. Effective Date. This Resolution shall become effective immediately following its adoption.

The City Attorney is authorized to make minor typographical changes to this Resolution that does not change the substance of this Resolution;

PASSED AND ADOPTED by the City of Imperial City Council during a Regular Meeting this 18th day of December 2024.

Robert Amparano, Mayor

ATTEST:

Kristina Shields
City Clerk

RESOLUTION NO. 2024-56

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL CALLING A SPECIAL ELECTION AND SUBMITTING TO THE VOTERS OF THE CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT NO. 2024-1 A PROPOSITION WITH RESPECT TO THE ANNUAL LEVY OF SPECIAL TAXES WITHIN SAID COMMUNITY FACILITIES DISTRICT TO PAY THE COSTS OF CERTAIN SERVICES TO BE PROVIDED BY THE COMMUNITY FACILITIES DISTRICT AND A PROPOSITION WITH RESPECT TO ESTABLISHING AN APPROPRIATIONS LIMIT FOR SAID COMMUNITY FACILITIES DISTRICT

WHEREAS, pursuant to Section 53325.1 of the California Government Code, the City Council (the “City Council”) of the City of Imperial (“the City”) has adopted a resolution establishing the City of Imperial Community Facilities District No. 2024-1, County of Imperial, State of California (the “Community Facilities District”) and the boundaries thereof; and

WHEREAS, pursuant to Section 53326 of said Code, it is necessary that the City Council submit to the voters of the Community Facilities District the annual levy of special taxes on the property within the Community Facilities District to pay the costs of providing services described in the resolution of intention with respect to the formation of the Community Facilities District (“Resolution of Intention”); and

WHEREAS, pursuant to Section 53325.7 of said Code, the City Council may also submit to the voters of the Community Facilities District a proposition with respect to establishing an appropriations limit for the Community Facilities District.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Imperial as follows:

Section 1. Findings. The City Council finds that:

1. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. Less than 2 persons have been registered to vote within the territory of the Community Facilities District during the 90 days preceding the close of the public hearing.
3. Pursuant to Section 53326 of the California Government Code, the vote in the special election called by this Resolution shall be by the landowners of the Community Facilities District whose property would be subject to the special taxes if they were levied at the

time of the election, with each landowner having one vote for each acre, or portion thereof, which they own within the Community Facilities District.

Section 2. Call of Election. The City Council hereby calls and schedules a special election on December 18, 2024 on the proposition with respect to the annual levy of special taxes within the Community Facilities District for paying the cost of the services to be provided within and for the benefit of the Community Facilities District and on the proposition with respect to establishing an appropriations limit for the Community Facilities District.

Section 3. Propositions. The propositions to be submitted to the voters of the Community Facilities District at such special election shall be as follows:

- First Proposition: Shall special taxes be levied annually on taxable property within City of Imperial Community Facilities District No. 2024-1, County of Imperial, State of California, to pay the costs of maintenance services, and other services specified in the Resolution of Intention adopted by the City Council of the City of Imperial, and to pay expenses incidental thereto and to pay costs associated with the determination of the amount of and the levy and collection of the special taxes.
- Second Proposition: Shall an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, be established for City of Imperial Community Facilities District No.2024-1, County of Imperial, State of California, as specified in the rate and method of apportionment.

Section 4. Conduct of Election. The election shall be conducted by the City Clerk of the City pursuant to the California Elections Code governing mail ballot elections of cities, and specifically Division 4 (commencing with Section 4000) of said Code, insofar as they may be applicable.

Section 5. Election Procedures. The procedures to be followed in conducting the special election shall be as follows:

1. Ballots for the Special Election shall be distributed to the qualified electors by the City Clerk by mail with return postage prepaid, or by personal service.
2. The official ballot to be mailed or delivered by the City Clerk shall include the name of the landowner-voter and the number of votes to be cast by the landowner-voter, along with a certification to be signed by the voter.

3. The return identification envelope shall include the voter's declaration under penalty of perjury, stating that the voter is the landowner or authorized representative.
4. Instructions to voters shall inform them of the procedure for returning the ballots to the City Clerk, ensuring that they are properly voted, completed, and signed.
5. Upon receipt of the ballots, the City Clerk shall canvass the votes and report the results to the City Council.

Section 6. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end, the provisions of this Resolution are declared to be severable.

The City Attorney is authorized to make minor typographical changes to this Resolution that does not change the substance of this Resolution;

PASSED AND ADOPTED by the City of Imperial City Council during a Regular Meeting this 18th day of December 2024.

Robert Amparano, Mayor

ATTEST:

Kristina Shields
City Clerk

RESOLUTION NO. 2024-57

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL DECLARING THE RESULTS OF THE SPECIAL ELECTION FOR THE CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT NO.2024-1, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ON THE PROPOSITIONS WITH RESPECT TO (I) THE ANNUAL LEVY OF SPECIAL TAXES TO PAY THE COSTS OF CERTAIN SERVICES TO BE PROVIDED BY THE COMMUNITY FACILITIES DISTRICT AND (II) ESTABLISHING AN APPROPRIATIONS LIMIT

WHEREAS, on December 18th 2024, the City Council (the "City Council") of the City of Imperial (the "City") adopted a resolution calling a special election on the propositions with respect to the annual levy of special taxes on taxable property within the City of Imperial Community Facilities District No.2024-1, County of Imperial, State of California (the "Community Facilities District") to pay the costs of certain services to be provided by the Community Facilities District and establishing an appropriations limit for the Community Facilities District (the "Election Resolution"); and

WHEREAS, the City Council has received a statement from the City Clerk, who pursuant to the Election Resolution was authorized to conduct the special election and act as the election official therefor, with respect to the canvass of the ballots returned in and the results of the special election, certifying that more than two-thirds of the votes cast upon the propositions submitted to the voters in the special election were cast in favor of all such propositions.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Imperial as follows:

Section 1. Findings. The City Council finds that:

1. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. There were less than 2 persons registered to vote within the boundaries of the Community Facilities District at the time of the close of the protest hearing, and pursuant to Section 53326 of the California Government Code ("Section 53326"), the votes in the special election were by the landowners owning land within the Community Facilities District, with each landowner having one vote for each acre or portion of an acre of land that they owned within the Community Facilities District.
3. The special election has been properly conducted in accordance with all statutory requirements and the provisions of the Election Resolution.

4. More than two-thirds of the votes cast in the special election on each proposition were cast in favor thereof, and pursuant to Section 53328 of the California Government Code, all such propositions carried.

Section 2. Declaration of Results. All votes voted in the special election on the propositions with respect to the annual levy of special taxes on taxable property within the Community Facilities District to pay the costs of the services to be provided by the Community Facilities District and the establishment of appropriations for the Community Facilities District were voted in favor thereof, and such propositions carried.

Section 3. Effect of Election. The effect of the results of the special election is that the City Council, as the legislative body of the Community Facilities District, is authorized to annually levy special taxes on taxable property within the Community Facilities District in an amount sufficient to pay the costs of the services to be provided by the Community Facilities District at the special tax rates and pursuant to the methodology for determining and apportioning such special taxes which are set forth in the resolution of formation adopted by the City Council.

Section 4. Notice of Special Tax Lien. The City Clerk shall record a notice of special tax lien pursuant to Section 53328.3 of the California Government Code and Section 3114.5 of the California Streets and Highways Code.

Section 5. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end, the provisions of this Resolution are declared to be severable.

Section 6. Effective Date. This Resolution shall become effective immediately following its adoption.

The City Attorney is authorized to make minor typographical changes to this Resolution that does not change the substance of this Resolution;

PASSED AND ADOPTED by the City of Imperial City Council during a Regular Meeting this 18th day of December 2024.

Robert Amparano, Mayor

ATTEST:

Kristina Shields
City Clerk

RESOLUTION NO. 2024-54

**RESOLUTION OF INTENTION OF THE CITY COUNCIL
OF THE CITY OF IMPERIAL WITH RESPECT
TO FORMATION OF PROPOSED CITY OF
IMPERIAL COMMUNITY FACILITIES DISTRICT NO.
2024-1 FOR THE MORNINGSTAR SUBDIVISION**

WHEREAS, the City Council of the City of Imperial (the “City Council”) has received a written petition from the owner of certain real property within the City of Imperial (the “City”) requesting that the City Council initiate proceedings for the formation of a community facilities district pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982,” (the “Act”) for the purpose of providing certain services which are necessary to meet increased demands placed upon the City as a result of the development of said real property, and agreeing to the annual levy of special taxes on said property sufficient to pay the costs of such services and costs incidental thereto.

WHEREAS, Section 53313 of the Act provides that a community facilities district may be established to finance certain types of services, including but not limited to (a) maintenance and lighting of parks, parkways, and open space; (b) maintenance of recreational facilities, (c) and any other services authorized to be financed pursuant to the Act.

WHEREAS, pursuant to Section 53320 of the California Government Code, the City Council is required upon receiving such a written petition to adopt a resolution of intention to establish a community facilities district.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Imperial as follows:

Section 1. Proposed District. A community facilities district is proposed to be established under the terms of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982.” The name proposed for the community facilities district is “City of Imperial Community Facilities District No. 2024-01 Morningstar, County of Imperial, State of California.”

Section 2. Description and Map of Boundaries. The boundaries of the territory proposed for inclusion in the proposed community facilities district are described and shown on the map entitled “Proposed Boundaries of City of Imperial Community Facilities District No 2024-01

Morningstar, County of Imperial, State of California,” which is on file with the City Clerk. Said map is approved, and pursuant to Section 3110 of the California Streets and Highways Code, the City Clerk shall record the original of said map and file a copy with the County Recorder of the County of Imperial.

Section 3. Types of Services; Incidental Expenses. It is proposed that the community facilities district shall provide and finance:

- Maintenance and lighting of parks, parkways, and open space.
- Maintenance of recreational facilities.

Section 4. Special Taxes. Special taxes sufficient to pay the costs of the services provided for in Section 3 above and the annual administrative expenses of the City and the proposed community facilities district in determining, apportioning, levying, and collecting such special taxes, shall be annually levied within the proposed community facilities district. Pursuant to Section 53340 of the California Government Code, the special taxes shall be collected in the same manner as ordinary ad valorem property taxes are collected. The rate and method of apportionment of said special taxes shall be as set forth in Exhibit “A” attached here to and by this reference made a part hereof.

Section 5. Exempt Properties. Property owned by state, federal, and local government entities shall be exempt from the levy of special taxes of the proposed community facilities district.

Section 6. Necessity. The City Council finds that the services described in Section 3 hereof are necessary to meet increased demands placed upon the City as a result of development occurring within the boundaries of the proposed community facilities district.

Section 7. Hearing on Formation. A public hearing on the formation of the proposed community facilities district shall be held at 7:00 pm on December 18th at Council Chambers located at 220 West 9th Street, Imperial, CA 92251.

Section 8. Notice. The City Clerk shall publish a notice of the time and place of said hearing as required by Section 53322 of the California Government Code and shall also give notice of the time and place of said hearing by first-class mail to each registered voter and to each landowner within the proposed community facilities district as prescribed by Section 53322.4 of said Code.

Section 9. Report. The officers of the City responsible for providing the services to be financed by the proposed community facilities district, if established, are hereby directed to file a

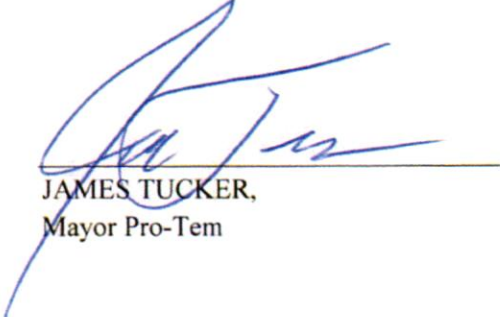
report with the City Council containing a brief description of the services by type and an estimate of the cost of providing those services and the incidental expenses to be incurred.

Section 10. Annexation of Territory. Other property within the boundaries of the City may be annexed into the community facilities district upon the condition that parcels within that territory may be annexed only with the unanimous approval of the owner or owners of each parcel at the time of annexation.

Section 11. Description of Voting Procedures. The voting procedures for conducting the special election on the proposition with respect to the levy of special taxes on the land within the community facilities district shall follow the regulations specified by the California Government Code and California Elections Code, with adjustments for landowner or registered voter elections based on the number of registered voters within the proposed district.

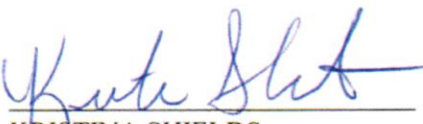
The City Attorney is authorized to make minor typographical changes to this Resolution that does not change the substance of this Resolution;

PASSED AND ADOPTED by the City of Imperial City Council during a Regular Meeting this 6th day of November 2024.



JAMES TUCKER,
Mayor Pro-Tem

ATTEST:



KRISTINA SHIELDS,
City Clerk

CERTIFICATION

I, Kristina Shields, City Clerk of the City of Imperial, California, hereby certify that the foregoing Resolution No. 2024-54 was duly adopted at a meeting of the City Council of said City at its meeting held on the 6th day of November, 2024, by the following vote, to wit:

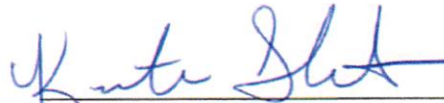
AYES: Burnworth, Mendoza, Obeso-Martinez, Tucker

NOES: None

ABSENT: Amparano

ABSTAIN: None

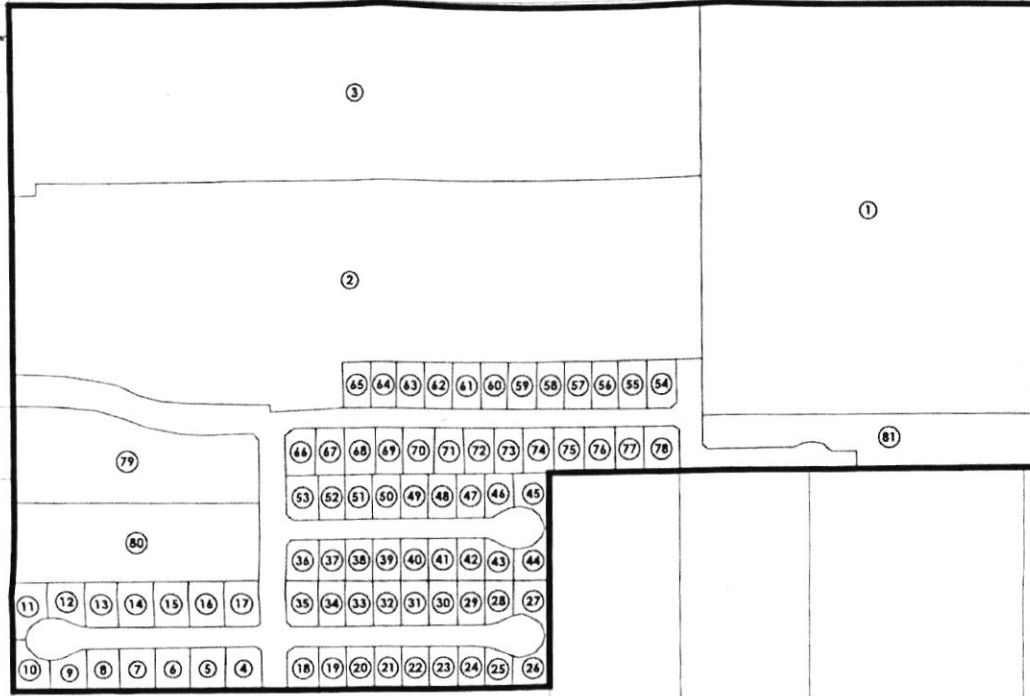
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Imperial, California, this 6th day of November, 2024.



KRISTINA SHIELDS,
City Clerk

**PROPOSED BOUNDARIES OF
 CITY OF IMPERIAL
 COMMUNITY FACILITIES DISTRICT NO. 2024-1
 (MORNINGSTAR)**
 COUNTY OF IMPERIAL
 STATE OF CALIFORNIA

Confirmed Copy



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF IMPERIAL THIS
16th DAY OF November 2024

Keith Slatt
 CITY CLERK
 CITY OF IMPERIAL

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED
 BOUNDARIES OF THE CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT
 NO. 2024-1 (MORNINGSTAR), COUNTY OF IMPERIAL, STATE OF CALIFORNIA,
 WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL AT A
 REGULAR MEETING THEREOF, HELD ON THE 16th DAY OF
November 2024, BY ITS RESOLUTION NO
2024-54

Keith Slatt
 CITY CLERK
 CITY OF IMPERIAL

FILED THIS 3rd DAY OF December 2024, AT THE HOUR OF
10:06 O'CLOCK A.M. IN THE BOOK 3 OF MAPS OF
 ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 60
 AND AS INSTRUMENT NO 2024019336 IN THE OFFICE OF THE
 COUNTY RECORDER IN THE COUNTY OF IMPERIAL, STATE OF CALIFORNIA.

CHUCK STOREY
 COUNTY CLERK-RECORDER
 COUNTY OF IMPERIAL

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS
 DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE
 IMPERIAL COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE IMPERIAL COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL THE
 DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OF
 PARCELS.

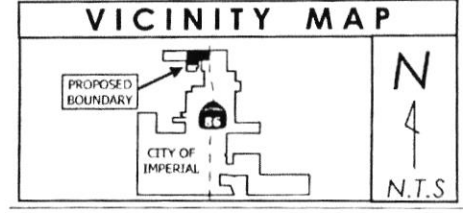
MAP REF NO	ASSESSOR'S PARCEL NO
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3	063-312-092
4	063-312-093
5	063-312-094
6	063-312-095
7	063-312-096
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9	063-312-098
10	063-312-099
11	063-312-100
12	063-312-101
13	063-312-102
14	063-312-103
15	063-312-104
16	063-312-105
17	063-312-106

MAP REF NO	ASSESSOR'S PARCEL NO
18	063-312-035
19	063-312-036
20	063-312-037
21	063-312-038
22	063-312-039
23	063-312-040
24	063-312-041
25	063-312-042
26	063-312-043
27	063-312-044
28	063-312-045
29	063-312-046
30	063-312-047
31	063-312-048
32	063-312-049
33	063-312-050
34	063-312-051

MAP REF NO	ASSESSOR'S PARCEL NO
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37	063-312-054
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48	063-312-065
49	063-312-066
50	063-312-067
51	063-312-068

MAP REF NO	ASSESSOR'S PARCEL NO
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68	063-312-085

MAP REF NO	ASSESSOR'S PARCEL NO
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74	063-312-079
75	063-312-080
76	063-312-081
77	063-312-082
78	063-312-083
79	Lot A-1
80	Lot A-2
81	Lot C



Legend

□ PROPOSED BOUNDARY

① MAP NUMBER REFERENCE

PREPARED BY
**KOPPEL & GRUBER
 PUBLIC FINANCE**

334 Via Vera Cruz
 Suite 256
 San Marcos, California 92076
 Phone (760) 510-0290 Fax (760) 510-0288

DATE PREPARED OCTOBER 2024

EXHIBIT A

CITY OF IMPERIAL
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (MORNINGSTAR)
RATE AND METHOD OF APPORTIONMENT

A Special Tax shall be levied on all Taxable Property within the boundaries of the City of Imperial Community Facilities District No. 2024-1 (Morningstar) ("CFD No. 2024-1") and collected each Fiscal Year commencing in Fiscal Year 2024/2025 according to the tax liability determined by the City Council, through the application of the rate and method of apportionment of the Special Tax set forth below. All Taxable Property shall be taxed to the extent and in the manner herein provided.

1. Definitions

"Accessory Dwelling Unit" or "ADU" means all Assessor's Parcels of Residential Property for which a Building Permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 66313(a), as may be amended from time to time, that is accessory to a primary Unit. The ADU may be located on the same Assessor's Parcel as the primary Unit or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax and both Units will be taxed. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as a Unit.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the actual or estimated costs incurred by the City, acting for and on behalf of CFD No. 2024-1 as the administrator thereof, to determine, levy and collect the Special Taxes, including a reasonable allocation of salaries of City employees and a proportionate amount of the City's general administrative overhead related thereto, and the fees of consultants and legal counsel providing services related to the administration of the CFD; the costs of collecting installments of the Special Taxes; and any other costs required to administer the CFD as determined by the City.

"Annual Tax Escalation Factor" On July 1, 2025 for Fiscal Year 2025/2026 and on each subsequent July 1 for the Fiscal Year then commencing, the Maximum Special Tax rates for all Assessor's Parcels of Taxable Property shown under Section 3 shall be increased annually by the percentage increase in the Consumer Price Index (All Items) Riverside-San Bernadino-Ontario, CA, (December 2017= 100) since the beginning of the preceding Fiscal Year provided however, that any such annual increase shall not exceed four percent (4%).

"Approved Property" means a Lot included in a Final Subdivision Map that was recorded prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied, and that have not been issued a building permit on or prior to June 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Assessor" means the Assessor of the County of Imperial.

“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 Map” means an official map of the Assessor designating parcel(s) by Assessor's Parcel Number(s).

“Assessor's Parcel Number” means the number assigned to an Assessor's Parcel by the County for purposes of identification.

“Base Year” means Fiscal Year ending June 30, 2024.

“Building Permit” means a permit for new construction issued by the City for new construction of a residential or non-residential building on an Assessor's Parcel for purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human use.

“CFD” or “CFD No. 2024-1” means the City of Imperial Community Facilities District No. 2024-1 (Morningstar), County of Imperial, State of California.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and preparing the annual Special Tax roll.

“City” means the City of Imperial, California.

“City Council” means the City Council of the City of Imperial which acts as the legislative body for CFD No. 2024-1 under the Act.

“County” means the County of Imperial, California.

“Developed Property” means for each Fiscal Year, commencing with Fiscal Year 2025-2026, each Assessor's Parcel, for which a Building Permit for new construction was issued, prior to June 1 of the previous Fiscal Year.

“Exempt Property” means an Assessor's Parcel that is not classified as Taxable Property. Exempt Property is not subject to the Special Tax.

“Final Subdivision Map” means a subdivision of property creating single family residential buildable Lots by recordation of a final subdivision map or parcel map pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), or recordation of a condominium plan pursuant to California Civil Code 4200 et seq., that creates individual Lots for which building permits may be issued without further subdivision and is recorded prior to June 1 preceding the Fiscal Year in which the Special Tax is being levied.

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

“Land Use Class” means any of the classes listed in Section 3 below.

“Lot” means an individual lot, identified and numbered on a recorded Final Subdivision Map, on which a building permit has been or is permitted to be issued for construction of one or more Dwelling Units without further subdivision of the lot and for which no further subdivision of the lot is anticipated.

“Maintenance” means the labor, material, administration, personnel, equipment and utilities necessary to maintain park, landscaping, parkways, trails, median islands, public

lighting including repair and replacement of recreational facilities, trees, plant material, sod, irrigation systems, weed control and other abatements, signs, monuments, and associated appurtenant facilities.

“Maintenance Requirement” means, for any Fiscal Year in which Special Taxes are levied, the amount equal to the budgeted costs for Maintenance applicable to the CFD for such Fiscal Year.

“Maximum Special Tax” means the greatest amount of Special Tax, determined in accordance with Section 3 below, which may be levied in any Fiscal Year on any Assessor’s Parcel.

“Owners Association” means a homeowners association or property owners association that provides services to, and collects assessments, fees, dues, or charges from, property within the CFD.

“Owners Association Property” means any property within the boundaries of the CFD that is owned in fee or through easement by an Owners Association, not including any such property that is located directly under a residential structure.

“Non-Residential Property” means any Assessor’s Parcel, or portion of an Assessor’s Parcel, of Developed Property in the CFD for which a building permit(s) was issued for non-residential use.

“Public Property” means any property within the boundaries of CFD No. 2024-1, the ownership of which is transferred to a public agency, and is used for rights-of-way or any other purpose and is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency where the public agency has officially agreed to accept the offer of dedication; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

“Reserve Fund” means a fund that shall be maintained for the CFD for each Fiscal Year to provide necessary cash flow for the first six months of each Fiscal Year, delinquencies in the payment of Special Taxes, reserve capital to cover repair and replacement costs, and a reasonable buffer to prevent large variations in annual Special Tax levies.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential Units.

“Special Tax” means any special tax authorized to be levied within CFD No. 2024-1 pursuant to the Act and this Rate and Method of Apportionment to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year for the CFD to: (i) pay for the Maintenance Requirement; (ii) pay for Administrative Expenses; (iii) pay any amounts required to establish or replenish the Reserve Fund; (iv) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Special Tax levy.

“**State**” means the State of California.

“**Taxable Property**” means all of the Assessor's Parcels within the boundaries of CFD No. 2024-1 that are classified as Developed Property or Approved Property. Taxable Property does not include Welfare Exempt Property.

“**Tax-Exempt Property**” means an Assessor's Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, or (ii) Owner Association Property, or (iii) Assessor’s Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement.

“**Unit**” means (i) for Residential Property, an individual single family detached or attached residential unit or an individual apartment unit, (ii) for Mobile Home Property, an individual mobile home, and (iii) an ADU. The number of Units assigned to each Assessor’s Parcel may be determined by (i) referencing Assessor’s data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator.

“**Welfare Exempt Property**” means, in any Fiscal Year, all Assessor’s Parcels within the boundaries of CFD No. 2024-1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act.

2. Land Use Classification

Each Fiscal Year, each Assessor’s Parcel within the boundaries of CFD No. 2024-1 shall be classified as Taxable Property, Public Property or Exempt Property. Each Assessor’s Parcel of Taxable Property shall be classified as based on Section 3 A and B below.

3. Maximum Special Tax Rates

A. Developed Property

TABLE 1
Fiscal Year 2024/2025
Maximum Special Tax Rates for Developed Property

Land Use Class	Description	Maximum Special Tax
1	Residential Property	\$223.00 per Unit
2	Non-Residential Property	\$1,434.00 per Acre

B. Approved Property

The Maximum Special Tax for Approved Property shall be \$223.00 per Lot.

Escalation of Maximum Special Tax

Each Fiscal Year following the Base Year, the Maximum Special Tax shall be

increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this rate and method of apportionment.

Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of acreage designated for each Land Use Class as determined by reference to the site plan approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

4. Method of Apportionment

For each Fiscal Year, commencing Fiscal Year 2024/2025, the CFD Administrator shall determine the Special Tax Requirement and calculate the Special Tax so that the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied on Taxable Property each Fiscal Year as follows:

Step 1: The special tax shall be levied proportionally on each Assessor's Parcel of Residential Property up to 100% of the applicable Maximum Special Tax;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the special tax shall be levied proportionally on each Assessor's Parcel of Non-Residential Property up to 100% of the applicable Maximum Special Tax. No Special Tax shall be levied on Exempt Property.

5. Collection of Special Taxes

Collection of the Special Tax shall be by the County in the same manner as ordinary ad valorem property taxes are collected and the Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the City Council may provide for other means of collecting the Special Tax if necessary to meet its financial obligations, including direct billings to the property owners.

6. Administrative Changes and Appeals

Any taxpayer subject to the Special Tax and who claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than twelve (12) months after first having

paid the first installment of the Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred, the CFD Administrator may recommend changing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any by the CFD Administrator, the landowner believes such error still exists, such person may file a written notice with the City Manager or designee of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. Upon the receipt of such notice, the City Manager or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. The City Manager or designee thereof shall interpret this Rate and Method of Apportionment and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Manager or designee shall be final and binding as to all persons.

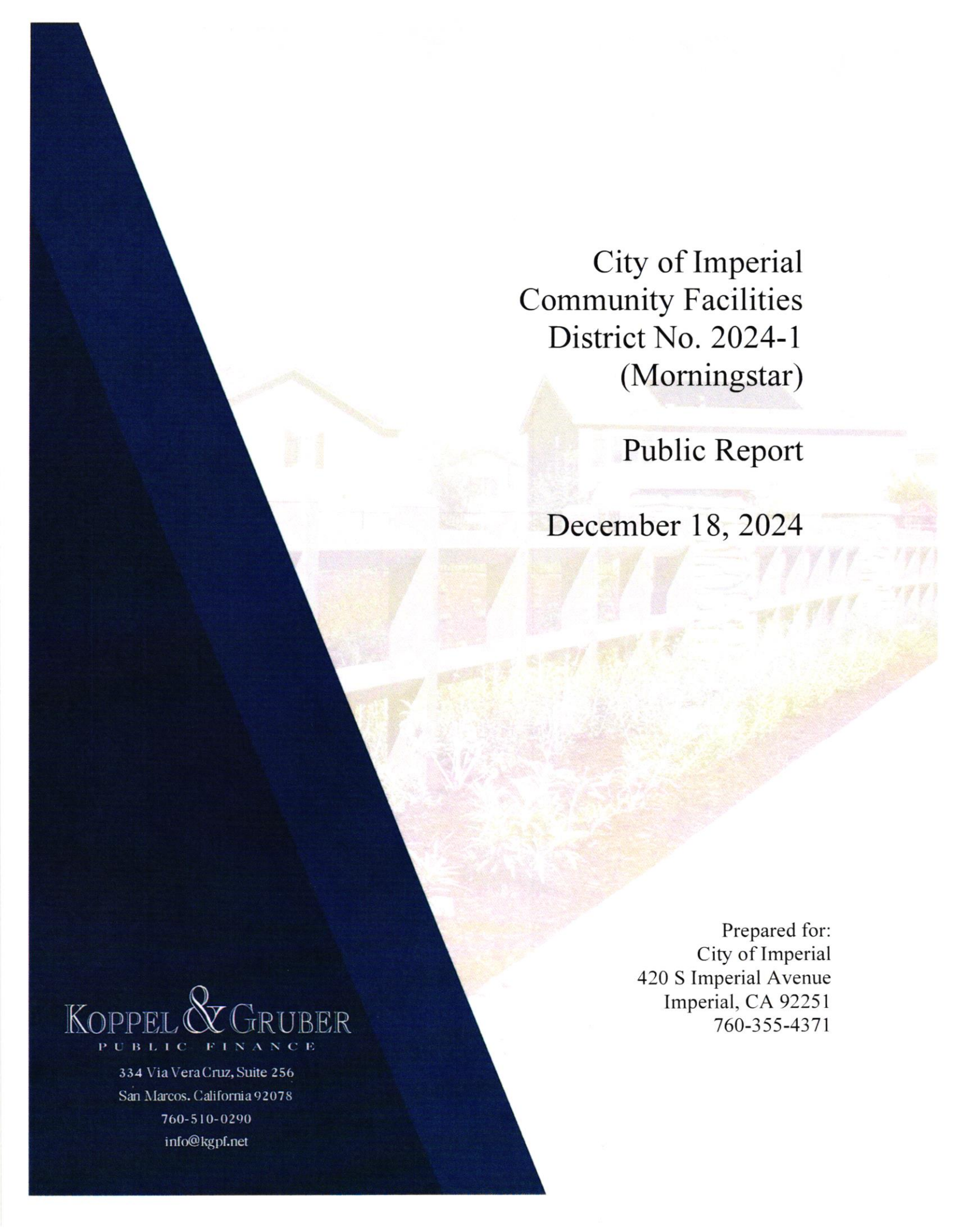
Interpretations may be made by Resolution of the City Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax, the Rate and Method of Apportionment, the classification of properties, or any definition applicable to CFD No. 2024-1.

7. Term of Special Tax

The Special Tax shall be levied annually in perpetuity, unless terminated earlier by a super majority of the City Council.

8. Prepayment of Special Tax

The Special Tax may not be prepaid.



City of Imperial
Community Facilities
District No. 2024-1
(Morningstar)

Public Report

December 18, 2024

Prepared for:
City of Imperial
420 S Imperial Avenue
Imperial, CA 92251
760-355-4371

KOPPEL & GRUBER
PUBLIC FINANCE

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info@kgpf.net

City of Imperial

City Council

Robert Amparano, Mayor
James Tucker, Mayor Pro Tem
Katherine Burnworth, Council Member
Stacy Mendoza, Council Member
Ida Obeso-Martinez, Council Member

City Manager

Dennis Morita

Community Development Director

Othon Moro

City Clerk

Kristina Shields

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B. Description of Services.....	2
C. Boundaries of CFD No. 2024-1.....	2
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E. Rate and Method of Apportionment.....	2
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Introduction

The City Council of the City of Imperial (the "Council") did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), on November 6, 2024 adopt a resolution entitled "A Resolution of Intention of the City Council of the City of Imperial with Respect to Formation of a Proposed City of Imperial Community Facilities District No. 2024-1 for the Morningstar Subdivision" (the "Resolution of Intention"). In the Resolution of Intention, the Council expressly ordered the preparation of a written Community Facilities District Report (the "Report") for the proposed Community Facilities District No. 2024-1 (Morningstar) ("CFD No. 2024-1" or the "District").

The Resolution of Intention ordering the Report did direct that the Report generally contain the following:

1. A brief description the services by type which are required to adequately meet the needs of CFD No. 2024-1; and
2. An estimate of the cost of providing the services and the incidental expenses to be incurred in connection therewith.

For particulars, reference is made to the Resolution of Intention (Resolution Number 2024-54) for the District, as previously approved and adopted by Council.

Now, Therefore Koppel & Gruber Public Finance, the appointed responsible firm directed to prepare the Report, does hereby submit the following:

A. Description of CFD No. 2024-1

CFD No. 2024-1 is comprised of approximately 141 gross acres of residential and commercial zoned land along with open space in the City of Imperial in the Morningstar Subdivision Unit 1B. A map showing the boundaries of Community Facilities District No. 2024-1 is included in Exhibit "A" of this Report. Table 1 below shows the proposed development for CFD No. 2024-1.

Table 1
Proposed Development

CFD No. 2024-1	Proposed Units/Acres
Residential Single Family	351 Units
Residential Multi-Family	440 Units
Commercial	17.59 Acres

B. Description of Services

The purpose of CFD No. 2024-1 is to provide for the cost of services which are in addition to those services that were provided within the boundaries of CFD No. 2024-1 at the time of formation of CFD No. 2024-1, including, 1) maintenance and lighting of parks, parkways, streets, and open space, 2) maintenance of recreational facilities, and 3) any other services authorized to be financed pursuant to the Act (the "Services").

C. Boundaries of CFD No. 2024-1

A reduced map of the boundaries of CFD No. 2024-1 titled "Proposed Boundaries of City of Imperial Community Facilities District No. 2024-1 (Morningstar)" is included in Exhibit "A" and is incorporated herein.

A full-scale map is on file with the Clerk of the City of Imperial and was recorded with the County Recorder in the County of Imperial in Book 2 of Maps of Assessment and Community Facilities Districts, Page 60, Document Number 2024019336.

D. Cost Estimate

The District is being formed to provide a financing mechanism to pay for the cost of services as described in Section B above for new development within the boundaries of CFD No. 2024-1. The overall budget for CFD No. 2024-1 is estimated at \$176,419 for fiscal year 2024/2025, based on the special taxes expected to be generated from the District at full build out.

The proposed CFD No. 2024-1 shall also finance the costs associated with the determination of the amount of and the levy and collection of special taxes which are levied to provide such Services and costs otherwise incurred, in order to carry out the authorized purposes of CFD No. 2024-1.

The estimated costs of the Services are shown in 2024 dollars. For particulars on the estimated cost of Services, reference is made to Exhibit "B" of this Report.

E. Rate and Method of Apportionment

The Rate and Method of Apportionment provides sufficient information to allow a property owner within CFD No. 2024-1 to estimate the Maximum Special Tax for his or her property.

For particulars on the Rate and Method of apportionment, reference is made to Exhibit "C" of this report. The table below provides the fiscal year 2024/2025 special tax rates.

Classification	FY 2024/2025 Maximum Special Tax
Residential Property or Approved Property	\$223.00 per Unit
Non-Residential Property	\$1,434.00 per Acre

On July 1, 2025 for Fiscal Year 2025/2026 and on each subsequent July 1 for the Fiscal Year then commencing, the Maximum Special Tax rates shown above shall be increased annually by the percentage increase in the Consumer Price Index (All Items) Riverside-San Bernardino-Ontario, CA, (December 2017 = 100) since the beginning of the preceding Fiscal Year provided however, that any such annual increase shall not exceed four percent (4%).

F. General Terms and Conditions

The description of the Services is general in nature. The final nature and location of the Services that will be provided and/or maintained will be determined upon approval of such Services.

EXHIBIT A

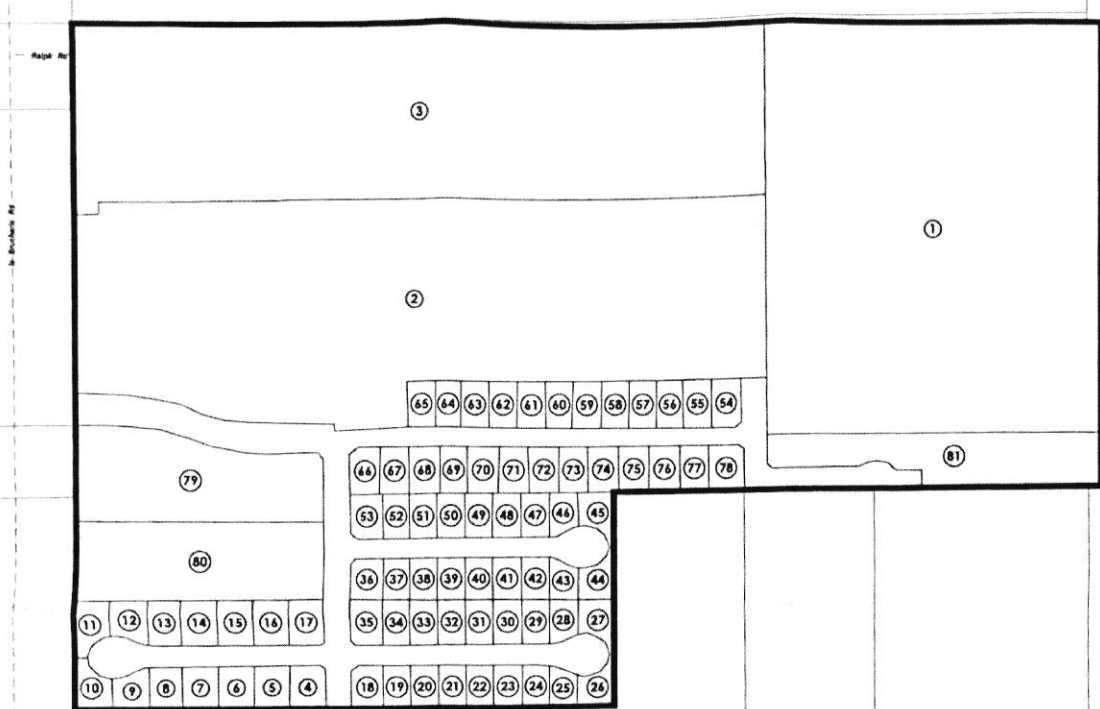
BOUNDARY MAP FOR
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(MORNINGSTAR)

A reduced copy of the recorded Boundary Map follows. The recorded copy is on file in the records of the County Recorder, County of Imperial, State of California and by reference is made part of this Public Report.

PROPOSED BOUNDARIES OF CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT NO. 2024-1 (MORNINGSTAR)

COUNTY OF IMPERIAL
 STATE OF CALIFORNIA

Confirmed Copy



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF IMPERIAL THIS
16th DAY OF November 2024

Wanda Slet
 CITY CLERK
 CITY OF IMPERIAL

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT NO. 2024-1 (MORNINGSTAR), COUNTY OF IMPERIAL, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL AT A REGULAR MEETING THEREOF, HELD ON THE 16th DAY OF November 2024, BY ITS RESOLUTION NO. 2024-54

Wanda Slet
 CITY CLERK
 CITY OF IMPERIAL

FILED THIS 3rd DAY OF December, 2024, AT THE HOUR OF 10:00 O'CLOCK A.M. IN THE BOOK 2 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 60 AND AS INSTRUMENT NO. 2024019836 IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF IMPERIAL, STATE OF CALIFORNIA.

CHUCK STOREY
 COUNTY CLERK-RECORDER
 COUNTY OF IMPERIAL

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE IMPERIAL COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED

THE IMPERIAL COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL THE DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OF PARCELS

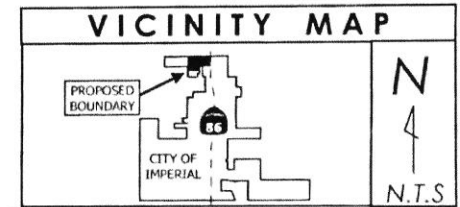
MAP REF NO	ASSESSOR'S PARCEL NO
1	063-312-090
2	063-312-091
3	063-312-092
4	063-312-094
5	063-312-035
6	063-312-036
7	063-312-037
8	063-312-038
9	063-312-039
10	063-312-040
11	063-312-041
12	063-312-042
13	063-312-043
14	063-312-044
15	063-312-045
16	063-312-046
17	063-312-047

MAP REF NO	ASSESSOR'S PARCEL NO
18	063-312-035
19	063-312-036
20	063-312-037
21	063-312-038
22	063-312-039
23	063-312-040
24	063-312-041
25	063-312-042
26	063-312-043
27	063-312-044
28	063-312-045
29	063-312-046
30	063-312-047
31	063-312-048
32	063-312-049
33	063-312-050
34	063-312-051

MAP REF NO	ASSESSOR'S PARCEL NO
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36	063-312-053
37	063-312-054
38	063-312-055
39	063-312-056
40	063-312-057
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46	063-312-063
47	063-312-064
48	063-312-065
49	063-312-066
50	063-312-067
51	063-312-068

MAP REF NO	ASSESSOR'S PARCEL NO
52	063-312-069
53	063-312-070
54	063-312-071
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64	063-312-081
65	063-312-082
66	063-312-083
67	063-312-084
68	063-312-085

MAP REF NO	ASSESSOR'S PARCEL NO
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70	063-313-075
71	063-313-076
72	063-313-077
73	063-313-078
74	063-313-079
75	063-313-080
76	063-313-081
77	063-313-082
78	063-313-083
79	Lot A-1
80	Lot A-2
81	Lot C



Legend

PROPOSED BOUNDARY
 MAP NUMBER REFERENCE

EXHIBIT B

COST ESTIMATES

Services Budget

The budget below represents the estimated cost of Services in current year dollars assuming all properties within CFD No. 2024-1 are developed to the proposed number of units specified in Morningstar Subdivision Unit 1B. The Special Tax will be levied each fiscal year based on the methodology set out in the Rate and Method of Apportionment based on the proportions set forth at the time of formation. The total costs for Services are estimates only. The City has the ability to reallocate amounts between line items as long as the total costs do not exceed the total budgeted amounts, which are subject to escalation.

Estimated Annual Budget and Revenues From Expected Development Within CFD No. 2024-1

Service	Estimated FY 2024/25 Budget
Maintenance and lighting of parks, parkways, open space and recreational facilities	\$163,970
Costs of providing Services and Incidental Expenses ¹	12,449
Total Estimated Budget	\$176,419

1. The proposed CFD No. 2024-1 shall also finance the costs associated with the determination of the amount of and the levy and collection of special taxes which are levied to provide such Services and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2024-1.

EXHIBIT C

CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT NO. 2024-1 (MORNINGSTAR) RATE AND METHOD OF APPORTIONMENT

A Special Tax shall be levied on all Taxable Property within the boundaries of the City of Imperial Community Facilities District No. 2024-1 (Morningstar) ("CFD No. 2024-1") and collected each Fiscal Year commencing in Fiscal Year 2024/2025 according to the tax liability determined by the City Council, through the application of the rate and method of apportionment of the Special Tax set forth below. All Taxable Property shall be taxed to the extent and in the manner herein provided.

1. Definitions

"Accessory Dwelling Unit" or "ADU" means all Assessor's Parcels of Residential Property for which a Building Permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 66313(a), as may be amended from time to time, that is accessory to a primary Unit. The ADU may be located on the same Assessor's Parcel as the primary Unit or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax and both Units will be taxed. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as a Unit.

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"Administrative Expenses" means the actual or estimated costs incurred by the City, acting for and on behalf of CFD No. 2024-1 as the administrator thereof, to determine, levy and collect the Special Taxes, including a reasonable allocation of salaries of City employees and a proportionate amount of the City's general administrative overhead related thereto, and the fees of consultants and legal counsel providing services related to the administration of the CFD; the costs of collecting installments of the Special Taxes; and any other costs required to administer the CFD as determined by the City.

"Annual Tax Escalation Factor" On July 1, 2025 for Fiscal Year 2025/2026 and on each subsequent July 1 for the Fiscal Year then commencing, the Maximum Special Tax rates for all Assessor's Parcels of Taxable Property shown under Section 3 shall be increased annually by the percentage increase in the Consumer Price Index (All Items) Riverside-San Bernadino-Ontario, CA, (December 2017= 100) since the beginning of the preceding Fiscal Year provided however, that any such annual increase shall not exceed four percent (4%).

"Approved Property" means a Lot included in a Final Subdivision Map that was recorded prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied, and

that have not been issued a building permit on or prior to June 1 preceding the Fiscal Year in which the Special Tax is being levied.

“Assessor” means the Assessor of the County of Imperial.

“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 Map” means an official map of the Assessor designating parcel(s) by Assessor's Parcel Number(s).

“Assessor's Parcel Number” means the number assigned to an Assessor's Parcel by the County for purposes of identification.

“Base Year” means Fiscal Year ending June 30, 2024.

“Building Permit” means a permit for new construction issued by the City for new construction of a residential or non-residential building on an Assessor's Parcel for purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human use.

“CFD” or “CFD No. 2024-1” means the City of Imperial Community Facilities District No. 2024-1 (Morningstar), County of Imperial, State of California.

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“City” means the City of Imperial, California.

“City Council” means the City Council of the City of Imperial which acts as the legislative body for CFD No. 2024-1 under the Act.

“County” means the County of Imperial, California.

“Developed Property” means for each Fiscal Year, commencing with Fiscal Year 2025-2026, each Assessor's Parcel, for which a Building Permit for new construction was issued, prior to June 1 of the previous Fiscal Year.

“Exempt Property” means an Assessor's Parcel that is not classified as Taxable Property. Exempt Property is not subject to the Special Tax.

“Final Subdivision Map” means a subdivision of property creating single family residential buildable Lots by recordation of a final subdivision map or parcel map pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), or recordation of a condominium plan pursuant to California Civil Code 4200 et seq., that creates individual Lots for which building permits may be issued without further subdivision and is recorded prior to June 1 preceding the Fiscal Year in which the Special Tax is being levied.

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

“Land Use Class” means any of the classes listed in Section 3 below.

“Lot” means an individual lot, identified and numbered on a recorded Final Subdivision Map, on which a building permit has been or is permitted to be issued for construction of

one or more Dwelling Units without further subdivision of the lot and for which no further subdivision of the lot is anticipated.

“Maintenance” means the labor, material, administration, personnel, equipment and utilities necessary to maintain park, landscaping, parkways, trails, median islands, public lighting including repair and replacement of recreational facilities, trees, plant material, sod, irrigation systems, weed control and other abatements, signs, monuments, and associated appurtenant facilities.

“Maintenance Requirement” means, for any Fiscal Year in which Special Taxes are levied, the amount equal to the budgeted costs for Maintenance applicable to the CFD for such Fiscal Year.

“Maximum Special Tax” means the greatest amount of Special Tax, determined in accordance with Section 3 below, which may be levied in any Fiscal Year on any Assessor’s Parcel.

“Owners Association” means a homeowners association or property owners association that provides services to, and collects assessments, fees, dues, or charges from, property within the CFD.

“Owners Association Property” means any property within the boundaries of the CFD that is owned in fee or through easement by an Owners Association, not including any such property that is located directly under a residential structure.

“Non-Residential Property” means any Assessor’s Parcel, or portion of an Assessor’s Parcel, of Developed Property in the CFD for which a building permit(s) was issued for non-residential use.

“Public Property” means any property within the boundaries of CFD No. 2024-1, the ownership of which is transferred to a public agency, and is used for rights-of-way or any other purpose and is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency where the public agency has officially agreed to accept the offer of dedication; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

“Reserve Fund” means a fund that shall be maintained for the CFD for each Fiscal Year to provide necessary cash flow for the first six months of each Fiscal Year, delinquencies in the payment of Special Taxes, reserve capital to cover repair and replacement costs, and a reasonable buffer to prevent large variations in annual Special Tax levies.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential Units.

“Special Tax” means any special tax authorized to be levied within CFD No. 2024-1 pursuant to the Act and this Rate and Method of Apportionment to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year for the CFD to:

(i) pay for the Maintenance Requirement; (ii) pay for Administrative Expenses; (iii) pay any amounts required to establish or replenish the Reserve Fund; (iv) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Special Tax levy.

“State” means the State of California.

“Taxable Property” means all of the Assessor's Parcels within the boundaries of CFD No. 2024-1 that are classified as Developed Property or Approved Property. Taxable Property does not include Welfare Exempt Property.

“Tax-Exempt Property” means an Assessor's Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, or (ii) Owner Association Property, or (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement.

“Unit” means (i) for Residential Property, an individual single family detached or attached residential unit or an individual apartment unit, (ii) for Mobile Home Property, an individual mobile home, and (iii) an ADU. The number of Units assigned to each Assessor's Parcel may be determined by (i) referencing Assessor's data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator.

“Welfare Exempt Property” means, in any Fiscal Year, all Assessor's Parcels within the boundaries of CFD No. 2024-1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act.

2. Land Use Classification

Each Fiscal Year, each Assessor's Parcel within the boundaries of CFD No. 2024-1 shall be classified as Taxable Property, Public Property or Exempt Property. Each Assessor's Parcel of Taxable Property shall be classified as based on Section 3 A and B below.

3. Maximum Special Tax Rates

A. Developed Property

TABLE 1
Fiscal Year 2024/2025
Maximum Special Tax Rates for Developed Property

Land Use Class	Description	Maximum Special Tax
1	Residential Property	\$223.00 per Unit
2	Non-Residential Property	\$1,434.00 per Acre

B. Approved Property

The Maximum Special Tax for Approved Property shall be \$223.00 per Lot.

Escalation of Maximum Special Tax

Each Fiscal Year following the Base Year, the Maximum Special Tax shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this rate and method of apportionment.

Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of acreage designated for each Land Use Class as determined by reference to the site plan approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

4. Method of Apportionment

For each Fiscal Year, commencing Fiscal Year 2024/2025, the CFD Administrator shall determine the Special Tax Requirement and calculate the Special Tax so that the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied on Taxable Property each Fiscal Year as follows:

Step 1: The special tax shall be levied proportionally on each Assessor's Parcel of Residential Property up to 100% of the applicable Maximum Special Tax;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied

Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the special tax shall be levied proportionally on each Assessor's Parcel of Non-Residential Property up to 100% of the applicable Maximum Special Tax. No Special Tax shall be levied on Exempt Property.

5. Collection of Special Taxes

Collection of the Special Tax shall be by the County in the same manner as ordinary ad valorem property taxes are collected and the Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the City Council may provide for other means of collecting the Special Tax if necessary to meet its financial obligations, including direct billings to the property owners.

6. Administrative Changes and Appeals

Any taxpayer subject to the Special Tax and who claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than twelve (12) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred, the CFD Administrator may recommend changing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any by the CFD Administrator, the landowner believes such error still exists, such person may file a written notice with the City Manager or designee of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. Upon the receipt of such notice, the City Manager or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. The City Manager or designee thereof shall interpret this Rate and Method of Apportionment and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Manager or designee shall be final and binding to all persons.

Interpretations may be made by Resolution of the City Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax, the Rate and Method of Apportionment, the classification of properties, or any definition applicable to CFD No. 2024-1.

7. Term of Special Tax

The Special Tax shall be levied annually in perpetuity, unless terminated earlier by a super majority of the City Council.

8. Prepayment of Special Tax

The Special Tax may not be prepaid.