
File ID: 2026-00542

4/28/2026

[Pass for Publication] Enacting Changes Related to Improvement Area No. 3 and Improvement Area No. 4 of the Delta Shores Community Facilities District No. 2019-01 (Improvements) and Pass for Publication an Ordinance Repealing Ordinance No. 2022-0002 and Levying Special Taxes for Fiscal Year (FY) 2026-2027 and Following Fiscal Years

File ID: 2026-00542

Location: District 8

Recommendation: 1) Adopt a **Resolution** enacting changes to the Rate and Method of Apportionment (RMA) for Improvement Area No. 3 (IA-3) of the Delta Shores Community Facilities District No. 2019-01 (Improvements) (CFD) and to levy a new special tax in Improvement Area No. 4 (IA-4) of the CFD to finance the acquisition and construction of certain public facilities as approved by the qualified electors (Resolution of Change); and 2) pass for publication the Ordinance title required by City Charter section 32(c), with the ordinance to be considered by Council for adoption on May 5, 2026.

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Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Resolution of Change
- 5-Ordinance

Description/Analysis

Issue Detail: On April 14, 2026, Council adopted Resolution No. 2026-0086 calling for a special mailed ballot election on whether to:

- 1) Modify the rates and the method of apportionment of the special tax for IA-3 and to make certain related changes to the existing rate and method of apportionment and

manner of collection of the special tax for IA-3 as set forth in Exhibit B to Resolution No. 2026-0059 (Resolution of Consideration), adopted by Council on March 10, 2026;

- 2) Amend the aggregate principal amount of Debt (as defined in the Resolution of Consideration) that may be incurred in and for IA-3 from \$63.0 million to \$43.4 million;
- 3) Amend the appropriations limit in and for IA-3 from the amount of \$63.0 million for fiscal year 2021-22 to \$43.4 million for fiscal year 2025-26; and
- 4) Amend the public facilities that are authorized to be financed in and for IA-3 to be those public facilities set forth in Exhibit C to the Resolution of Consideration.

Also on April 14, 2026, Council adopted Resolution No. 2026-0087 deeming it necessary to incur bonded indebtedness in and for IA-4 and Resolution No. 2026-0088 calling for another special mailed ballot election on whether to:

- 1) Authorize the incurrence of debt in and for IA-4 with a principal amount not exceeding \$23.0 million and to annually levy a special tax within IA-4 to finance the acquisition and construction of certain public facilities; and
- 2) Establish the appropriations limit for IA-4 for fiscal year 2025-26 in the amount of \$23.0 million.

The special mailed ballot elections were held on April 17, 2026, and all votes received were in the affirmative for each election. Therefore, staff recommends that Council adopt the attached Resolution of Change that will enact the changes to IA-3 and authorize the incurrence of debt for, and the levy of the special tax in, IA-4 and establish the appropriations limit for IA-4, all as described above.

In addition to the above actions, staff recommends Council pass for publication an ordinance repealing Ordinance No. 2022-0002 and levying special taxes within the CFD that will incorporate the amendments to the RMA for IA-3 (Second Amended RMA) and will incorporate the new RMA for IA-4, both as approved by the qualified electors of all taxable property in each respective improvement area.

Policy Considerations: Modifying the boundaries and RMA for IA-3 and creating the new IA-4 will allow special tax bonds to be issued in IA-4 earlier in the development process and will increase the amount of special tax proceeds available for eligible facilities. Modifying the appropriations limit, the authorized amount of bonded indebtedness and the public facilities authorized to be financed is necessary as a result of these proposed changes. In addition, based on projected future home prices, the overall tax burden for future homeowners in the proposed IA-4 is estimated to be at or below the threshold outlined in the City's adopted Policies and Procedures for Use of Special

Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities.

Economic Impacts: Not applicable.

Environmental Considerations: Under California Environmental Quality Act (CEQA) Guidelines, modifying the RMA of a CFD (a CFD being a financing mechanism) or of a designated improvement area therein without commitment to any specific projects which could result in significant impact to the environment does not constitute a project for purposes of CEQA and is therefore exempt from review (14 Cal. Code Regs. §15378(b)(4)).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The recommended actions are required by the Mello-Roos Community Facilities Act of 1982 to implement the changes to IA-3 and to levy a new special tax in IA-4 of the CFD as approved by the qualified electors of IA-3 and IA-4, respectively.

Financial Considerations: There will be no impact to the City's General Fund as a result of this action. It is anticipated that special tax bonds will be issued in the future to finance the acquisition and construction of certain public improvements, and those bonds will be secured solely by the levy of special taxes within each improvement area pursuant to each improvement area's specific RMA. Bond sales for IA-1 and IA-2 of the CFD have already occurred, and one or more bond sales will occur in IA-3 and IA-4 at some point in the future.

Local Business Enterprise (LBE): Not applicable.

ATTACHMENT 2 BACKGROUND

The CFD currently covers approximately 535± acres of property within the Delta Shores Planned Unit Development. The Delta Shores project is proposed for single-family, multi-family, commercial, mixed-use, parks, open space, detention basins, schools, a community center, and a fire station. The Delta Shores project area is generally bounded by Freeport Boulevard to the west, the Sacramento Regional Wastewater Treatment Plant to the south and east, the Stone Beetland property and the City owned parcel known as "Meadowview 102" to the east, and Meadowview Road to the north.

Bond information

As approved by City Council, the CFD will finance, through the issuance of Mello-Roos special tax bonds or the incurrence of other debt for IA-1, IA-2 and IA-3, certain public improvements authorized for the CFD. On September 24, 2019, Council adopted Resolutions Nos. 2019-0372, 2019-0373, and 2019-0374 deeming it necessary to incur bonded indebtedness to finance the acquisition and construction of certain public facilities in each improvement area of the CFD. At that time the aggregate principal amount of debt proposed to be issued, in one or more series, on behalf of IA-1, IA-2, and IA-3 of the CFD, may not exceed \$8.0 million for IA-1, \$18.8 million for IA-2 and \$39.6 million for IA-3.

On January 25, 2022, at elections held in CFD, the qualified electors of each improvement area therein approved proposals to replace the original RMAs of each improvement area of the CFD with amended and restated RMAs and modify the total amount of debt authorized to be issued for each improvement area. Specifically, the total amount of debt authorized to be issued increased from \$8.0 million to \$17.0 million in IA-1, decreased from \$18.8 million to \$18.0 million in IA-2, and increased from \$39.6 million to \$63.0 million in IA-3. The costs and improvements eligible for CFD financing did not change during this process.

On June 14, 2022, Bonds in the aggregate principal amount of \$10,230,000 were issued in IA-2, and all bond proceeds have been expended to reimburse M&H for the construction of public infrastructure.

On December 19, 2024, Bonds in the aggregate principal amount of \$14,480,000 were issued for IA-1 and generated approximately \$12,117,000 in net proceeds available to finance the acquisition and construction of public facilities.

No Bonds have been issued to date for IA-3.

Process to Make Changes to IA-3 of the CFD and to Create a New IA-4

The process to make the proposed modifications to IA-3 and the proposed creation of the new IA-4 began with the JEN and DR Horton requesting the modifications and is now followed by Council's adoption of a "Resolution of Consideration" on March 10, 2026 (Resolution No. 2026-0059), which also called for a public hearing to be held on April 14, 2026, where all interested persons will have the opportunity to protest the proposed modifications. That public hearing was held on such date, after which Council adopted a resolution deeming it necessary to incur bonded indebtedness in and for IA-4 (Resolution No. 2026-0087) and resolutions calling elections on the proposed modifications (Resolution Nos. 2026-0086 and 2026-0088).

All votes received were in the affirmative and Council can therefore adopt the attached Resolution of Change to enact the proposed changes to IA-3 and IA-4 of the CFD. The final step in the process will be to adopt an ordinance repealing Ordinance No. 2022-0002 and levying special taxes for Fiscal Year 2026-2027 and following fiscal years.

A proposed Schedule of Proceedings, outlining the timeline for this process, is included in Attachment 3 to this report.

**ATTACHMENT 3
SCHEDULE OF PROCEEDINGS**

**DELTA SHORES COMMUNITY FACILITIES DISTRICT NO. 2019-01
(IMPROVEMENTS)
IA-3 and NEW IA-4 CHANGE PROCEEDINGS**

March 10, 2026	Council adopted Resolution of Consideration and set a date for a Public Hearing
March 19, 2026	Amended Boundary Map Recorded
March 25, 2026	Notices of Public Hearing Mailed
April 3, 2026	Notice of Public Hearing Published
April 14, 2026	Council held a Public Hearing and adopted Resolutions Calling Special Elections and a Resolution Deeming it Necessary to Incur Debt for IA-4
April 15, 2026	Special Election Ballots Received
April 28, 2026	Council: Adopt Resolution of Change Pass for Publication Ordinance Repealing Ordinance No. 2022-0002 and Levying Special Taxes for Fiscal Year 2026-2027 and Following Fiscal Years
May 5, 2026	Council: Adopt Ordinance

RESOLUTION NO.

Adopted by the Sacramento City Council

April 28, 2026

Resolution of Change Relating to Improvement Area No. 3 and Improvement Area No. 4 of the Delta Shores Community Facilities District No. 2019-01 (Improvements), City of Sacramento, County of Sacramento, State of California

BACKGROUND

- A. The City Council conducted proceedings under and pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the “**Act**”), to form its Delta Shores Community Facilities District No. 2019-01 (Improvements), City of Sacramento, County of Sacramento, State of California (the “**Community Facilities District**”), to designate within the Community Facilities District various improvement areas, including “**Improvement Area No. 3**”, to authorize the levy of special tax within Improvement Area No. 3 for the purpose of financing the acquisition and construction of certain public facilities, to establish the appropriations limit for Improvement Area No. 3, and to authorize the issuance of bonded indebtedness or other debt (as defined in the Act) (“**Debt**”) in and for Improvement Area No. 3 to finance such public facilities, all as set forth in the City Council’s Resolution No. 2019-0371 (the “**Resolution of Formation**”) and Resolution No. 2019-0374 (the “**Resolution Deeming it Necessary to Incur Bonded Indebtedness for Improvement Area No. 3**”) each adopted on September 24, 2019.
- B. The City Council subsequently conducted proceedings under and pursuant to the terms and provisions of the Act to, among other things, (i) make certain changes to the then-authorized rate and method of apportionment and manner of collection of the special tax for Improvement Area No. 3, (ii) increase the aggregate principal amount of Debt that may be incurred in and for Improvement Area No. 3 from \$39.6 million to \$63.0 million and (iii) increase the appropriations limit in and for Improvement Area No. 3 from the initial amount of \$39.6 million for fiscal year 2019-20 to \$63.0 million for fiscal year 2021-22, all as set forth in the City Council’s Resolution No. 2021-0362 (the “**2021 Resolution of Consideration**”), adopted on December 14, 2021, and Resolution No. 2022-0036 (the “**2022 Resolution of Change**”), adopted on February 1, 2022.

- C. On March 10, 2026, the City Council adopted its Resolution No. 2026-0059 (the “**Resolution of Consideration**”) in which it (i) designated a new “**Improvement Area No. 4**” of the Community Facilities District; (ii) proposed to amend the boundaries of Improvement Area No. 3 to exclude the territory designated as Improvement Area No. 4, replace the existing Amended and Restated Rate and Method of Apportionment of the special tax for Improvement Area No. 3 with the Second Amended and Restated Rate and Method of Apportionment of the special tax for Improvement Area No. 3 set forth in Exhibit B to the Resolution of Consideration, change the aggregate principal amount of Debt that may be incurred in and for Improvement Area No. 3 from \$63.0 million to \$43.4 million, change the appropriations limit in and for Improvement Area No. 3 from the amount of \$63.0 million for fiscal year 2021-22 to \$43.4 million for fiscal year 2025-26, and amend the public facilities that are authorized to be financed in and for Improvement Area No. 3 to be those public facilities set forth in Exhibit C to the Resolution of Consideration (collectively, the “**Improvement Area No. 3 Proposed Changes**”); and (iii) proposed the levy of a new special tax in Improvement Area No. 4 to finance the acquisition and construction of certain public facilities, the incurrence of Debt in and for Improvement Area No. 4 in a principal amount not to exceed \$23.0 million to finance the acquisition and construction of such public facilities, and the establishment of the appropriations limit in and for Improvement Area No. 4 in the amount of \$23.0 million for fiscal year 2025-26 (collectively, the “**Improvement Area No. 4 Proposals**” and, together with the Improvement Area No. 3 Proposed Changes, the “**Proposals**”).
- D. On April 14, 2026, after holding a duly noticed public hearing, the City Council adopted its Resolution No. 2026-0087 (the “**Resolution Deeming it Necessary to Incur Bonded Indebtedness for Improvement Area No. 4**”) in which it deemed it necessary that Debt be incurred in and for Improvement Area No. 4 to finance the acquisition and construction of the facilities described in the Resolution of Consideration.
- E. In order for the Proposals relating to Improvement Area No. 3 to be effective, a two-thirds approving vote by the qualified electors within Improvement Area No. 3 is required.
- F. In order for the Proposals relating to Improvement Area No. 4 to be effective, a two-thirds approving vote by the qualified electors within Improvement Area No. 4 is required.
- G. A special mailed-ballot election has been conducted in Improvement Area No. 3 pursuant to Resolution No. 2026-0086, adopted by the City Council on April 14, 2026, to which reference is made for further particulars.
- H. A special mailed-ballot election has been conducted in Improvement Area No. 4 pursuant to Resolution No. 2026-0088, adopted by the City Council on April 14, 2026, to which reference is made for further particulars.

- I. A Certificate of the City Clerk Re: Preparation and Distribution of Ballots, Receipt of Executed Ballots and Declaring Election Results for Improvement Area No. 3 (the “**Improvement Area No. 3 Certificate of Election Results**”) is on file with the City Clerk and the results of the special mailed-ballot election in Improvement Area No. 3 certified thereby have been reported to the City Council.
- J. A Certificate of the City Clerk Re: Preparation and Distribution of Ballots, Receipt of Executed Ballots and Declaring Election Results for Improvement Area No. 4 (the “**Improvement Area No. 4 Certificate of Election Results**” and, together with the Improvement Area No. 4 Certificate of Election Results, the “Certificates of Election Results”) is on file with the City Clerk and the results of the special mailed-ballot election in Improvement Area No. 4 certified thereby have been reported to the City Council.
- K. The City Council hereby accepts the Certificates of Elections Results and the results of the special mailed-ballot elections certified thereby.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds that the statements in the Background are true.
- Section 2. The City Council hereby finds and determines and declares that the ballot measure submitted to the qualified electors of Improvement Area No. 3 has been passed and approved by those qualified electors in accordance with Section 53338 of the Act.
- Section 3. The City Council hereby finds and determines and declares that the ballot measure submitted to the qualified electors of Improvement Area No. 4 has been passed and approved by those qualified electors in accordance with Section 53338 of the Act.
- Section 4. The City Council hereby finds and determines and declares that the authority conferred upon it with respect to Improvement Area No. 3 by the Community Facilities District has been amended and the boundaries of Improvement Area No. 3, the rate and method of apportionment of the special tax for Improvement Area No. 3, the authorized aggregate principal amount of Debt in and for Improvement Area No. 3, the appropriations limit in and for Improvement Area No. 3, and the authorized public facilities to be financed in and for Improvement Area No. 3 have been changed in accordance with the related Proposals, each as set forth in the Resolution of Consideration.
- Section 5. The City Council hereby finds and determines and declares that the authority conferred upon it with respect to Improvement Area No. 4 by the Community Facilities District has been amended in accordance with the related Proposals, each as set forth in the Resolution of Consideration

and the Resolution Deeming it Necessary to Incur a Bonded Indebtedness for Improvement Area No. 4. The public facilities authorized to be financed by and through Improvement Area No. 4 are those set forth in Exhibit C to the Resolution of Consideration (the “**Facilities**”). The cost of financing the acquisition and construction of the Facilities includes the incidental expenses described in the Resolution of Formation. A representative list of the types of incidental expenses is set forth in Exhibit C to the Resolution of Formation. Any references to improvement areas in the descriptions of incidental expenses in the Resolution of Formation shall also be deemed to refer to Improvement Area No. 4.

The rate and method of apportionment of the special tax, including the maximum annual special tax, for Improvement Area No. 4 is set forth on Exhibit D to the Resolution of Consideration. As required by the Act—

- (a) the maximum authorized special tax that may be levied against any parcel used for private residential purposes (which use begins no later than the date on which an occupancy permit for private residential use is issued) is specified as a dollar amount that will be calculated and thereby established no later than the date on which the parcel is first subject to the special tax because of its use for private residential purposes and will not increase by more than two percent per year;
- (b) the special tax will not be levied after fiscal year 2065-66 against a parcel used for private residential purposes; and
- (c) under no circumstances will the special tax levied in any fiscal year on a parcel used for private residential purposes be increased on the parcel because of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District, by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

Upon recordation of a Notice of Special Tax Lien for Improvement Area No. 4 as required by Streets and Highways Code section 3114.5, a continuing lien to secure each levy of the special tax for Improvement Area No. 4 will attach to all nonexempt real property in Improvement Area No. 4, and the lien will continue in force and effect until the Improvement Area No. 4 special tax obligation is prepaid and permanently satisfied and the lien cancelled in accordance with law or until collection of the Improvement Area No. 4 special tax ceases and a Notice of Cessation of Special Tax for Improvement Area No. 4 is recorded in accordance with section 53330.5 of the Act.

Except where funds are otherwise available, and subject to the limits described in the rate and method of apportionment of the special tax for Improvement Area No. 4, the Improvement Area No. 4 special tax will be levied annually within Improvement Area No. 4 in amounts sufficient to pay for the following: the acquisition and construction of the Facilities, including but not limited to the payment of interest on, principal of, and other payments on, Debt issued to finance the acquisition and construction of the Facilities; the making of lease payments for Facilities (whether in conjunction with the issuance of certificates of participation or not); and the repayment of any funds the City advances for the Community Facilities District, including repayment under any agreement (which will not constitute a debt or liability of the City) of advances of funds or the reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District.

The Improvement Area No. 4 special tax will be collected through the regular County of Sacramento secured property-tax bills and will be subject to the same enforcement mechanism and the same penalties and interest for late payment as regular ad valorem property taxes; however, the City Council, acting solely as the legislative body with respect to the Community Facilities District as contemplated by the Act and not as the legislative body of the City as a whole, reserves the right to use any other lawful means of billing, collecting, and enforcing the Improvement Area No. 4 special tax, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the Improvement Area No. 4 special tax lien.

Under section 53340.1 of the Act, the Improvement Area No. 4 special tax will be levied on leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the Improvement Area No. 4 special tax), to be payable by the owner of the leasehold or possessory interests in the property.

Under section 53325.7 of the Act, the appropriations limit, as defined by subdivision (h) of section 8 of article XIII B of the California Constitution, for Improvement Area No. 4 is established in the amount of \$23.0 million for fiscal year 2025-26, subject to adjustment as provided therein.

Section 6. The City Council hereby authorizes and directs the City Clerk to cause an Amended Notice of Special Tax Lien for Improvement Area No. 3 to be prepared and to be recorded with the County Recorder of the County of Sacramento (the “**County Recorder**”) in accordance with the provisions of California Streets and Highways Code Section 3117.5 and Section 53338(c) of the Act. The Amended Notice of Special Tax Lien shall be recorded in the County Recorder’s office within fifteen days of the date of adoption of this resolution.

Section 7. The City Council hereby authorizes and directs the City Clerk to cause a Notice of Special Tax Lien for Improvement Area No. 4 to be prepared and to be recorded with the County Recorder in accordance with the provisions of California Streets and Highways Code Section 3114.5 and Section 53328.3 of the Act. The Notice of Special Tax Lien shall be recorded in the County Recorder's office within fifteen days of the date of adoption of this resolution.

Section 8. This resolution takes effect when adopted.

ORDINANCE NO.

Adopted by the Sacramento City Council

Repealing Ordinance No. 2022-0002 Adopted on February 8, 2022, and Levying Special Taxes for Fiscal Year 2026-2027 and Following Fiscal Years Solely Within, and Relating to, Improvement Area No. 1, Improvement Area No. 2, Improvement Area No. 3, and Improvement Area No. 4 of the Delta Shores Community Facilities District No. 2019-01 (Improvements), City of Sacramento, County of Sacramento, State of California

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. On September 24, 2019, the City Council adopted Resolution No. 2019-0371 (the **“Resolution of Formation”**), thereby establishing the Delta Shores Community Facilities District No. 2019-01 (Improvements), City of Sacramento, County of Sacramento, State of California (the **“CFD”**) and designating within the CFD **“Improvement Area No. 1,” “Improvement Area No. 2,”** and **“Improvement Area No. 3”** (each an **“Original Improvement Area”**).
2. Pursuant to Resolution No. 2021-0362, adopted by the City Council on December 14, 2021 (the **“2021 Resolution of Consideration”**), and Resolution No. 2022-0036, adopted by the City Council on February 1, 2022 (the **“2022 Resolution of Change”**), the City Council approved amendments to the rates and methods of apportionment of special taxes, changes to the appropriations limits and changes to the authorized amounts of bonded indebtedness in and for each Original Improvement Area, which changes were approved by elections of the qualified electors within each Original Improvement Area on January 25, 2022.
3. Pursuant to Resolution No. 2026-0059, adopted by the City Council on March 10, 2026 (the **“2026 Resolution of Consideration”**), and Resolution No. 2026-[____], adopted by the City Council on April 28, 2026 (the **“2026 Resolution of Change”** and, collectively with the Resolution of Formation, the 2021 Resolution of Consideration, the 2022 Resolution of Change and the 2026 Resolution of Consideration, the **“Resolutions”**), the City Council approved further amendments to the rate and method of apportionment of special tax for Improvement Area No. 3, a change to the appropriations limit for Improvement Area No. 3, a change to the authorized amount of bonded indebtedness for Improvement Area No. 3, and changes to the authorized public facilities to be financed in and for Improvement Area No. 3, which changes were approved by an election of the qualified electors within Improvement Area No. 3 on April 17, 2026.

4. Pursuant to the 2026 Resolution of Consideration and the 2026 Resolution of Change, the City Council designated “**Improvement Area No. 4**” of the CFD (together with the Original Improvement Areas, each an “**Improvement Area**” and collectively, the “**Improvement Areas**”) and approved the rate and method of apportionment of special tax for Improvement Area No. 4, the appropriations limit for Improvement Area No. 4, the authorized amount of bonded indebtedness for Improvement Area No. 4, and the authorized public facilities to be financed in and for Improvement Area No. 4, which authorizations were approved by an election of the qualified electors within Improvement Area No. 4 on April 17, 2026.
5. In accordance with section 53340 of the Government Code (the “**Code**”), the 2021 Resolution of Consideration, the 2022 Resolution of Change and the Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area No. 1 attached as Exhibit A to the 2021 Resolution of Consideration (the “**Amended and Restated RMA for Improvement Area No. 1**”), a special tax is hereby levied on all taxable parcels within Improvement Area No. 1 for the 2026-2027 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized special tax for Improvement Area No. 1 under the 2021 Resolution of Consideration, the 2022 Resolution of Change and the Amended and Restated RMA for Improvement Area No. 1 until collection of such special tax by the City Council, acting solely as the legislative body with respect to the CFD as contemplated by the provisions of the Mello-Roos Community Facilities Act of 1982, set forth at Code sections 53311 through 53368.3 (the “**Act**”), and not as the legislative body of the City of Sacramento (the “**City**”) as a whole, ceases and a notice of cessation of special tax is recorded in accordance with section 53330.5 of the Code. This amount may be adjusted annually, subject to the maximum authorized special tax for Improvement Area No. 1 under the 2021 Resolution of Consideration, the 2022 Resolution of Change and the Amended and Restated RMA for Improvement Area No. 1.
6. In accordance with section 53340 of the Code, the 2021 Resolution of Consideration, the 2022 Resolution of Change and the Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area No. 2 attached as Exhibit B to the 2021 Resolution of Consideration (the “**Amended and Restated RMA for Improvement Area No. 2**”), a special tax is hereby levied on all taxable parcels within Improvement Area No. 2 for the 2026-2027 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized special tax for Improvement Area No. 2 under the 2021 Resolution of Consideration, the 2022 Resolution of Change and the Amended and Restated RMA for Improvement Area No. 2 until collection of such special tax by the City Council, acting solely as the legislative body with respect to the CFD as contemplated by the provisions of the Act, and not as the legislative body of the City as a whole, ceases and a notice of cessation of special tax is recorded in accordance with section 53330.5 of the Code. This amount may be adjusted

annually, subject to the maximum authorized special tax for Improvement Area No. 2 under the 2021 Resolution of Consideration, the 2022 Resolution of Change and the Amended and Restated RMA for Improvement Area No. 2.

7. In accordance with section 53340 of the Code, the 2026 Resolution of Consideration, the 2026 Resolution of Change and the Second Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area No. 3 attached as Exhibit B to the 2026 Resolution of Consideration (the “**Second Amended and Restated RMA for Improvement Area No. 3**”), a special tax is hereby levied on all taxable parcels within Improvement Area No. 3 for the 2026-2027 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized special tax for Improvement Area No. 3 under the 2026 Resolution of Consideration, the 2026 Resolution of Change and the Second Amended and Restated RMA for Improvement Area No. 3 until collection of such special tax by the City Council, acting solely as the legislative body with respect to the CFD as contemplated by the provisions of the Act, and not as the legislative body of the City as a whole, ceases and a notice of cessation of special tax is recorded in accordance with section 53330.5 of the Code. This amount may be adjusted annually, subject to the maximum authorized special tax for Improvement Area No. 3 under the 2026 Resolution of Consideration, the 2026 Resolution of Change and the Second Amended and Restated RMA for Improvement Area No. 3.
8. In accordance with section 53340 of the Code, the 2026 Resolution of Consideration, the 2026 Resolution of Change and the Rate and Method of Apportionment of Special Tax for Improvement Area No. 4 attached as Exhibit D to the 2026 Resolution of Consideration (the “**RMA for Improvement Area No. 4**” and, together with the Amended and Restated RMA for Improvement Area No. 1, the Amended and Restated RMA for Improvement Area No. 2 and the Second Amended and Restated RMA for Improvement Area No. 3, each an “**RMA**” and, collectively, the “**RMAs**”), a special tax is hereby levied on all taxable parcels within Improvement Area No. 4 for the 2026-2027 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized special tax for Improvement Area No. 4 under the 2026 Resolution of Consideration, the 2026 Resolution of Change and the RMA for Improvement Area No. 4 until collection of such special tax by the City Council, acting solely as the legislative body with respect to the CFD as contemplated by the provisions of the Act, and not as the legislative body of the City as a whole, ceases and a notice of cessation of special tax is recorded in accordance with section 53330.5 of the Code. This amount may be adjusted annually, subject to the maximum authorized special tax for Improvement Area No. 4 under the 2026 Resolution of Consideration, the 2026 Resolution of Change and the RMA for Improvement Area No. 4.
9. The City Treasurer or the City Treasurer’s designee (in the instance of the use of debt financing) or the Finance Director or the Finance Director’s designee (when no debt has been issued) is the Manager of the CFD (the “**Manager**”). The

Manager shall serve as the “CFD Administrator” of each RMA (i.e. as “official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Tax”; section A of each RMA) with the aid of the appropriate officers and agents of the City. The Manager is hereby authorized and directed, without further action by the City Council, to do the following:

- (a) calculate the appropriate amount of the special tax for each Improvement Area each year (as authorized by, and as provided in, the applicable Resolutions and the applicable RMA);
 - (b) prepare the annual special-tax roll for each Improvement Area in accordance with the applicable Resolutions and the applicable RMA; and
 - (c) provide to the Sacramento County Auditor-Controller all information in proper form, and in proper time, that is necessary and appropriate to effect the correct and timely billing and collection of the special tax for each Improvement Area on the secured property-tax roll of Sacramento County (the “**County**”).
10. As provided in section 53340 of the Code, the Resolutions and each RMA, the special tax for each Improvement Area is to be collected in the same manner and at the same time and to be subject to the same enforcement mechanism and the same penalties and interest for late payment as regular *ad valorem* taxes, except that the City Council, acting solely as the legislative body with respect to the CFD as contemplated by the provisions of the Act and not as the legislative body of the City as a whole, reserves the right to utilize any other lawful means of billing, collecting, and enforcing the special tax within each Improvement Area, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the applicable special-tax lien.
11. The appropriate officers and agents of the City are hereby authorized to make adjustments to the special-tax roll for each Improvement Area before the final posting of the applicable special taxes to the County tax roll each year, as may be necessary to achieve a correct match of the applicable special-tax levy for each Improvement Area with the assessor's parcel numbers used by the County in sending out property-tax bills. The County may deduct its reasonable and agreed-upon charges for collecting the special tax within each Improvement Area from the amounts collected before remitting the special-tax collections to the City.
12. Any property owner may appeal the levy of the special tax within each Improvement Area by filing a written notice of appeal in accordance with section F of the applicable RMA, each of which is supplemented as follows:
 - (a) A property owner may file a notice of appeal with the Manager not more than one calendar year after having paid the special tax that is disputed,

and the property owner's failure to do so within that time constitutes a bar to appeal. The notice of appeal must specify in detail the grounds of the appeal, which are limited to (1) clerical errors in assigning an amount of tax to a parcel and (2) an error in defining the use of a parcel or its classification. No other appeals are allowed.

- (b) Not more than 30 days after an appeal is filed, the Manager shall review the appeal, meet with the property owner (if necessary), and mail the property owner a written decision on the appeal. If the Manager finds that the special tax should be modified, then the Manager shall correct the special-tax levy or grant the property owner a credit against the next year's special-tax levy, as appropriate under the circumstances. The Manager's failure to timely mail a written decision will constitute a decision denying the appeal.
 - (c) If the property owner disagrees with the Manager's decision, and if the property owner is current on payments of the special tax, then the property owner may appeal to the City Council by filing a written notice of appeal with the City Clerk not more than 30 days after the Manager mails the notice of decision or has failed to timely mail a written decision, and the property owner's failure to do so constitutes a bar to further appeal. The notice of appeal must specify in detail the grounds of appeal. The City Council shall, in accordance with chapter 1.24 of the City Code, either hear the appeal itself or refer the appeal to a hearing officer. The hearing on the appeal from the Manager's decision is to be conducted not more than 30 days after the property owner files the appeal with the City Council, and the City Council or the hearing officer, as appropriate, shall mail a written decision to the property owner not more than 30 days after the hearing concludes. The decision of the City Council or the hearing officer will be final for all purposes. The failure of the City Council or the hearing officer to hear the appeal or to render a decision within the specified time will constitute a denial of the appeal.
13. The filing of an appeal under section 12 of this ordinance will not relieve the property owner of the obligation to pay the applicable special tax when due.
 14. If for any reason a court with jurisdiction finds any portion of this ordinance to be invalid or finds the applicable special tax for any Improvement Area to be inapplicable to any particular parcel, then the balance of this ordinance and the application of the applicable special tax to the remaining parcels within each Improvement Area will not be affected.
 15. Ordinance No. 2022-0002 adopted by the City Council on February 8, 2022, is hereby repealed and superseded in its entirety by this ordinance for the 2026-2027 fiscal year and all subsequent fiscal years.