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**CITY OF MILL VALLEY**  
**RESOLUTION NO. 16-29**

**A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF  
MILL VALLEY TO ESTABLISH CITY OF MILL VALLEY COMMUNITY  
FACILITIES DISTRICT NO. 2016-1 (MUNICIPAL SERVICES) AND TO AUTHORIZE  
THE LEVY OF A SPECIAL TAX WITHIN CITY OF MILL VALLEY COMMUNITY  
FACILITIES DISTRICT NO. 2016-1 (MUNICIPAL SERVICES)**

**RECITALS:**

WHEREAS, this City Council (the "City Council") of the City of Mill Valley (the "City") has previously enacted a Municipal Services Tax to provide for the health, safety and general welfare of the residents of the City; and

WHEREAS, this City Council expects that the Municipal Services Tax will not continue to be levied in the City beyond June 30, 2018; and

WHEREAS, the City services funded by the current Municipal Services Tax are essential City services, including, among other things, maintenance, repair and improvement of streets and roads; and fire suppression activities, including removal of vegetation; and

WHEREAS, this City Council has determined that it is necessary and desirable to provide an alternative source of financing for essential City services, and has determined to conduct these proceedings in accordance with the Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the "Act"), to form a community facilities district for the purpose of financing maintenance, repair and improvement of streets and roads; and fire suppression activities; and

WHEREAS, the Act authorizes the City Council to establish a community facilities district and to levy special taxes within that district.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILL VALLEY:

1. Intention. The City Council hereby declares its intention to conduct proceedings for the formation of a community facilities district under the terms of the Act.
2. Name of District. The name of the proposed community facilities district is "City of Mill Valley Community Facilities District No. 2016-1 (Municipal Services)" (the "District").
3. Boundaries of District. The exterior boundaries of the District are shown on the map now on file in the office of the City Clerk entitled "Boundary Map of Proposed Community Facilities District No. 2016-1 (Municipal Services)" (the

35 “Map”). The Map indicates by a boundary line, the extent of the territory  
36 included in the proposed District and shall govern for all details as to the extent of  
37 the District. On the original and one copy of the Map, the City Clerk shall  
38 endorse the certificate evidencing the date and adoption of this Resolution. The  
39 City Clerk shall file the original of the Map in her office and, within fifteen days  
40 after the adoption of this Resolution, the City Clerk shall file a copy of the Map so  
41 endorsed in the records of the County Recorder, County of Marin, State of  
42 California, and in any event this Map shall be filed no later than fifteen days  
43 before the public hearing specified in Section 6 below.

44 4. Services and Facilities. The type of public services and facilities proposed to be  
45 provided within the District and to be financed under the Act shall consist of those  
46 services and facilities set forth on Exhibit "A" (the "Services and Facilities"),  
47 attached hereto and incorporated herein by reference.

48 5. Special Tax.

49 a. Except where funds are otherwise available to pay for the Services and  
50 Facilities, it is the intention of the City Council, commencing Fiscal Year  
51 2017-2018, to levy annually in accordance with procedures contained in  
52 the Act a special tax (the "Special Tax") within the District sufficient to  
53 pay for the costs thereof, including incidental expenses. The types of  
54 incidental expenses proposed to be incurred are set forth in Exhibit "B."  
55 The Special Tax will be secured by recordation of a continuing lien  
56 against all non-exempt real property in the District and will be collected in  
57 the same manner as ordinary ad valorem property taxes are collected, or in  
58 such other manner as may be provided by the City Council including,  
59 without limitation, direct billing of the affected property owner, and shall  
60 be subject to the same penalties, procedure, sale and lien priority in case of  
61 delinquency as applicable for ad valorem property taxes. In the first year  
62 in which the Special Tax is levied, the levy shall include a sum sufficient  
63 to repay to the City all amounts, if any, transferred to the District pursuant  
64 to Section 53314 of the Act and interest thereon. The authority to levy the  
65 Special Tax will expire following Fiscal Year 2026-2027.

66 b. The proposed Rate and Method of Apportionment of the Special Tax (the  
67 "Rate and Method") among parcels of real property in the District, in  
68 sufficient detail to allow each resident or landowner within the proposed  
69 District to estimate the maximum amount such resident or owner will have  
70 to pay, is shown in Exhibit "C," attached hereto and incorporated herein  
71 by reference. The City Council hereby determines the Rate and Method  
72 set forth in Exhibit "C" to be reasonable.

73 6. Hearing. A public hearing on the establishment of the District, the extent of the  
74 District, the furnishing of Services and Facilities within the District, and the

- 75 proposed Rate and Method (the "Hearing") shall be held on August 1, 2016, at  
76 6:30 p.m., or as soon thereafter as practicable, at the chambers of the City Council  
77 of the City of Mill Valley, 26 Corte Madera Avenue, Mill Valley, California  
78 94941. At the Hearing, any interested person or taxpayer, including all persons  
79 owning lands or registered to vote within the proposed District, may appear and  
80 be heard.
- 81 7. Report. The Staff of the City is directed to study the proposed District and  
82 prepare for filing at the Hearing the report required by Section 53321.5 of the Act.  
83 The staff of the City may delegate to consultants of the City the duty to perform  
84 the study and prepare the report.
- 85 8. Advances. The City may accept advances of funds or work in-kind from any  
86 source, including, but not limited to, private persons or private entities, and is  
87 authorized and directed to use such funds or that work in-kind for any authorized  
88 purpose, including, but not limited to, paying any cost incurred by the City in  
89 creating the District. The City may enter into an agreement with the person or  
90 entity advancing the funds or work-in-kind, to repay all or a portion of the funds  
91 advanced, or to reimburse the person or entity for the value, or cost, whichever is  
92 less, of the work-in-kind, as determined by the City Council, with or without  
93 interest.
- 94 9. Published Notice. The City Clerk is hereby directed to publish a notice of the  
95 Hearing ("Notice") pursuant to Section 6061 of the California Government Code  
96 in a newspaper of general circulation published in the area of the proposed  
97 District. Such Notice shall be substantially in the form specified in Section 53222  
98 of the Act. Publication of the Notice shall be completed at least seven days prior  
99 to the date of the Hearing.
- 100 10. Voting. Should the City Council determine to form the District, an election will  
101 be held within the District to authorize the levy of the Special Tax in accordance  
102 with the procedures contained in Section 53326 of the Act and the vote shall be  
103 by the registered voters of the District.
- 104 11. Exemptions from Special Tax. Except as may otherwise be provided in Exhibit  
105 "B" hereto or by law, all lands owned by any public entity, including the United  
106 States, the State of California and/or the City, or any departments or political  
107 subdivisions thereof, shall be omitted from the levy of the Special Tax to be made  
108 to cover the costs and expenses of the Services and Facilities. In addition,  
109 reference is hereby made to Exhibit "C" for a description of other lands which  
110 shall be omitted from the levy of the Special Tax.
- 111 12. Election to Perform Work. Pursuant to 53329.5(c) of the Act, the City Council  
112 finds that, in its opinion, the public interest will not be served by allowing

113 property owners in the District to enter into a contract pursuant to Section  
114 53329.5(a)

115 PASSED AND ADOPTED this 20th day of June, 2016, by the following vote:

116 AYES: McEntee, Moulton-Peters, Wickham, Sloan, McCauley\_\_\_\_

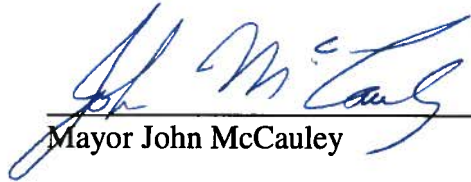
117 NOES: None\_\_\_\_\_


118 ABSENT: None\_\_\_\_\_

119 ABSTAIN: None\_\_\_\_\_

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\_\_\_\_\_  
Mayor John McCauley

123 ATTEST:   
124 \_\_\_\_\_  
125  
126 Seth Allingham  
127 Deputy City Clerk/Administrative Analyst

128  
129  
130

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**EXHIBIT "A"**

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**DESCRIPTION OF SERVICES AND FACILITIES**

132 Authorized Services and Facilities shall be the following:

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- Maintenance, Repair, and Improvement of Streets and Roads

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- Fire Suppression Activities, Including Removal of Vegetation

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- All other tangible property with an expected useful life of 5 years or longer

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necessary or useful for, or in connection with, the authorized services above.

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## EXHIBIT "B"

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### INCIDENTAL EXPENSES

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The cost of the Services and Facilities shall include incidental expenses, including costs associated with formation of the District, determination of the amount of the Special Tax, collection of the Special Tax, payment of the Special Tax, costs incurred in order to carry out the authorized purposes of the District, and the costs of engineering, inspecting, coordinating, completing, planning and designing the Services and Facilities, including the costs of environmental evaluations.

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The following incidental expenses are examples of those that may be incurred in the formation of the District:

- Engineering services,
- Publishing, mailing and posting of notices,
- Governmental notification and filing costs,
- Election costs, and
- Charges and fees of the City other than those waived.

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The following incidental expenses are examples of those that may be incurred in each annual Special Tax levy:

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- Necessary consultant costs,
- Costs of posting and collecting the special taxes, and
- Administrative costs of the City related to each annual Special Tax levy.

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**EXHIBIT "C"**

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**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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(Please see attached)

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**COMMUNITY FACILITIES DISTRICT NO. 2016-1  
(MUNICIPAL SERVICES)  
CITY OF MILL VALLEY  
MARIN COUNTY, STATE OF CALIFORNIA**

**Rate and Method of Apportionment of Special Tax**

**I. Definitions**

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, commencing with section 53311 of the Government Code of the State of California.

“City” means the City of Mill Valley, California.

“CFD 2016-1” means Community Facilities District No. 2016-1 (Municipal Services), City of Mill Valley, Marin County, State of California”.

“Commercial Property” means any Property used for business, commercial or industrial purposes.

“Council” means the City Council of the City of Mill Valley, Marin County, California.

“Dwelling Unit” means a residential living space containing at least bathroom and kitchen facilities.

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

“Improved” means a Property for which a certificate of occupancy has been issued.

“Maximum Annual Special Tax” means the Maximum Annual Special Tax, determined in accordance with Section II below, that may be levied in any Fiscal Year. It is anticipated that each year, the Council will levy the Maximum Annual Special Tax authorized.

“Multiple Family Residential Property” means a Property consisting of two or more Dwelling Units that share common walls, including, but not limited to, duplexes, triplexes, townhomes, condominiums, and apartments.

“Occupied” means a Property that is occupied as a residence or used for commercial purposes for any portion of a Fiscal Year.

“Property” means legal parcels (as of March 1 of the previous Fiscal Year, or later if adjustments are made by the County of Marin in its property tax roll after that date, and whether residential or commercial) of real property in private ownership within CFD 2016-1.

“Residential Second Unit” means an attached or detached Dwelling Unit in addition to the primary unit allowed in all residential zoning districts that provides complete independent living



195 facilities for one or more persons. A Residential Second Unit may include a kitchen or cooking  
196 area, sleeping area, or sanitation facilities on the same parcel as the primary unit.

197 “Resolution” means the Council’s Resolution of Intention to form Community Facilities District  
198 No. 2016-1 and levy a special tax.

199 “Single Family Residential Property” means Property for which a building permit has been  
200 issued for purposes of constructing one Dwelling Unit or for which building permits have been  
201 issued for the purposes of constructing one Dwelling Unit and one Residential Second Unit.

202 “Special Tax” means the Special Tax levied pursuant to Sections II and III below to fund the  
203 Special Tax Requirement and expiring following Fiscal Year 2026-2027.

204 “Special Tax Requirement” is an amount to be determined annually by the Council. It shall be:  
205 (i) the amount necessary to pay for the types of public services and facilities as set forth in  
206 Exhibit “A” of the Resolution and for the types of incidental expenses as set forth in Exhibit “B”  
207 of the Resolution and such incidental expenses include the administrative costs and expenses to  
208 carry out the authorized purposes of CFD 2016-1, less (ii) the amount of any funds available to  
209 pay for the types of public services and facilities as set forth in Exhibit “A” of the Resolution and  
210 for the types of incidental expenses as set forth in Exhibit “B” of the Resolution.

## 211 **II. Maximum Annual Special Tax**

### 212 **A. Maximum Annual Special Tax Rate**

213 Each fiscal year, commencing with Fiscal Year 2017-2018, each Property shall be subject to the  
214 Maximum Annual Special Tax as follows:

- 215 1. \$266 for an Occupied Dwelling Unit of a Single Family Residential Property and \$133  
216 for a Residential Second Unit of a Single Family Residential Property.
- 217 2. \$266 for the first Dwelling Unit of a Multiple Family Residential Property and \$133 for  
218 each additional Dwelling Unit of a Multiple Family Residential Property, the total to be  
219 allocated equally to each unit; provided, however, that if no unit on a Multiple Family  
220 Residential Property has more than 700 or more square feet, then the rate shall be \$133  
221 for each unit.
- 222 3. \$266 per Occupied Commercial Property containing 2,071 square feet or less.
- 223 4. \$0.12 per square foot for Occupied Commercial Property containing more than 2,071  
224 square feet.

225  
226 Where a Commercial Property is Occupied by more than one business, commercial, or industrial  
227 establishment, the Maximum Annual Special Tax is to be allocated pro rata to each  
228 establishment on the basis of its square footage.

229 Any Property which is Occupied for any portion of a Fiscal Year shall be considered Occupied  
230 for the entire Fiscal Year for purposes of determining the Maximum Annual Special Tax  
231 applicable to that Property for that Fiscal Year.

232 A Single Family Residential Property or a Multiple Family Residential Property that is never  
233 Improved or Occupied during the Fiscal Year shall be subject to a Maximum Annual Special Tax  
234 of \$66.50 per year. A Commercial Property which is never Improved or Occupied during the  
235 Fiscal Year shall be subject to a Maximum Annual Special Tax of \$66.50 per year. Proof of  
236 such vacancy or unimproved status for the specified Fiscal Year shall be documented on forms  
237 provided by the City Manager of the City of Mill Valley. Such forms must be submitted in the  
238 manner and at the time specified by the City Manager.

239 Beginning with fiscal year 2018-19, the Maximum Annual Special Tax rate shall increase in an  
240 amount equal to two percent of such Maximum Annual Special Tax.

241 **B. Exemptions**

242 There are exceptions to this application of the Special Tax set forth below. Where proof is  
243 required, the proof must be submitted by June 1 in order for the exception to apply in the next  
244 Fiscal Year. The exceptions are:

- 245 1. Parcels in public ownership, which are being used in the performance of a public  
246 function, shall not be subject to the Special Tax; provided, however, that where public  
247 property is leased for private use, the private leasehold interest shall be subject to the  
248 Special Tax on the unsecured tax roll;
- 249 2. Property exempt from regular ad valorem property taxation shall not be subject to the  
250 Special Tax -- this exception contemplates, for example, churches, condominium  
251 complex common areas (to the extent the value of such areas is distributed among the  
252 condominium units for purposes of ad valorem taxation), and welfare exemptions;
- 253 3. Property which is not buildable or developable because of some reasonably permanent  
254 incapacity shall not be subject to the Special Tax -- this contemplates odd parcels which  
255 for historical or other reasons have not been merged into adjacent parcels, but which,  
256 because of size or other reasonably permanent disability, do not or cannot comprise a  
257 separate building site -- provided the owner thereof has supplied proof of these facts  
258 satisfactory to the City (such as confirmation from the planning department) and has  
259 agreed to notify the City of any change in these facts (if these facts change, and  
260 notification is not given, the parcel shall be subject to the Special Tax from and including  
261 the year of the change, plus interest, penalties and costs as if the Special Tax had been  
262 levied and not paid); and
- 263 4. A Dwelling Unit of a Single Family Residential Property owned and occupied by a  
264 resident over 65 years of age and whose income falls at or below the Housing Authority  
265 of Marin County's Median Income Scale shall be exempt from the Special Tax.

266 **III. Method of Apportionment**

267 The Special Taxes shall be levied for each Fiscal Year by the Council so that the amount of  
268 Special Tax levied equals the Special Tax Requirement. The Special Tax as determined by the  
269 Council shall be stated as a percentage of the Maximum Annual Special Tax. The Special Tax  
270 on each Property shall be that same percentage of its Maximum Annual Special Tax. It is

271 intended that the Special Tax will be levied at the Maximum Annual Special Tax Amount. The  
272 Special Tax may not be levied beyond the 2026-2027 Fiscal Year. Should the Special Tax ever  
273 be levied at less than 91% of the maximum Annual Special Tax, then under no circumstances  
274 will the Special Tax levied against any Property be increased from year to year as a consequence  
275 of delinquency or default by the owner or owners of any other Property or Properties within CFD  
276 2016-1 by more than ten percent (10%) per year. The levy may never, under any circumstances,  
277 exceed the Maximum Annual Special Tax authorized for any Property.

278 **IV. Collection**

279 The Resolution provides that the Special Tax is to be collected by the County of Marin in the  
280 same manner as ordinary ad valorem property taxes are collected and, is to be subject to the same  
281 penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for  
282 ad valorem property taxes.

283 **V. Appeals and Interpretation Procedure**

284 Any landowner or resident who pays the Special Tax and who feels that the amount of the  
285 Special Tax levied on his or her property is in error, may file an application with the City  
286 contesting the levy of the Special Tax within 90 days of the delinquency date of the questioned  
287 installment. If not filed within that time, the objection is forever waived. The City Clerk, or her  
288 or his appointee, shall promptly review the application, and if necessary, meet with the applicant.  
289 If the findings of the City Clerk or the appointee verify that the Special Tax should be modified  
290 or changed, a recommendation to that effect will be made to the Council, and as appropriate, the  
291 modified or changed Special Tax shall be granted. If the City Clerk or the appointee denies the  
292 application, the taxpayer may appeal that determination within 14 days of the mailing of  
293 notification of denial, to the Council under such procedures as the Council shall establish. The  
294 determination of the Council on the appeal shall be final for all purposes. The filing of an  
295 application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax  
296 when due. Any claims for refund of a Special Tax installment, except as otherwise set forth  
297 herein, shall be filed in accordance with the procedures set forth in the Mill Valley Municipal  
298 Code and applicable State law.

299 Interpretations may be made by Resolution of the Council for purposes of clarifying any  
300 vagueness or ambiguity as it relates to any of the terms or provisions of this Exhibit.