

# NORTH COUNTY FIRE PROTECTION DISTRICT

## RESOLUTION 2019-11



RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH COUNTY FIRE PROTECTION DISTRICT, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ADOPTING LOCAL GOALS AND POLICIES FOR IMPLEMENTATION OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AS AMENDED, CALIFORNIA GOVERNMENT CODE SECTION 53311, ET SEQ., REGARDING FORMATION OF COMMUNITY FACILITIES DISTRICTS

**WHEREAS**, the Mello-Roos Community Facilities Act of 1982 (California Government Code 53311, *et seq.* (the “Act”) establishes mechanisms to finance authorized public facilities and/or public services that benefit or serve existing, new, or planned development for the North County Fire Protection District (the “District”); and

**WHEREAS**, California Government Code § 53312.7 provides that a local agency may initiate proceedings to establish a district pursuant to the Act only if it has first considered and adopted local goals and policies concerning the use of the Act; and

**WHEREAS**, District staff has caused to be prepared and presented to the Board of Directors a statement of local goals and policies relating to the formation and implementation of community facilities districts within the District as required by the Act, attached hereto as **Attachment 1**;

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF NORTH COUNTY FIRE PROTECTION DISTRICT AS FOLLOWS:**

**Section 1. Findings.** All of the preceding recitals are true and correct.

**Section 2. Adoption of Local Goals and Policies.** Pursuant to the provisions of California Government Code § 53312.7, the District hereby adopts those local goals and policies set forth in **Attachment 1**, by this reference included as though fully set forth herein. The local goals and policies adopted hereby supersede any prior local goals and policies of the District which have previously been adopted.

**Section 3. Effective Date.** This Resolution shall be effective immediately. The Secretary shall certify to the adoption to this Resolution.

# NORTH COUNTY FIRE PROTECTION DISTRICT

## RESOLUTION 2019-11



RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH COUNTY FIRE PROTECTION DISTRICT, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ADOPTING LOCAL GOALS AND POLICIES FOR IMPLEMENTATION OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AS AMENDED, CALIFORNIA GOVERNMENT CODE SECTION 53311, ET SEQ., REGARDING FORMATION OF COMMUNITY FACILITIES DISTRICTS

**APPROVED, SIGNED AND ADOPTED** at a Regular Meeting of the Board of Directors of the North County Fire Protection District held on this **23rd day of July, 2019**, by the following vote:

**AYES:** Directors Harris, Luevano, Munson and Van Doorn

**NOES:** None

**ABSENT:** Director Hoffman

**ABSTAIN:** None

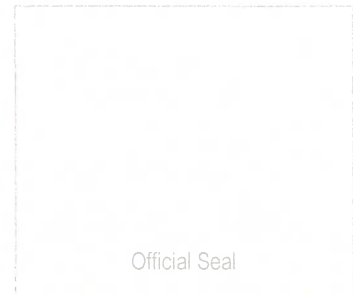
**RECUSED:** None

Fred Luevano, Board President

I **HEREBY CERTIFY** that foregoing is a true and correct copy of the Resolution duly and regularly adopted by the Board of Directors of the North County Fire Protection District at the meeting thereof held on the **23rd day of July, 2019** day and that the same now appears on record in my office.

**IN WITNESS THEREOF**, I hereunto set my hand and affixed by official seal this this **23rd day of July, 2019**.

Loren A. Stephen-Porter, Board Secretary



Official Seal

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## RESOLUTION 2019-11



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## ATTACHMENT 1

### LOCAL GOALS AND POLICIES

[SEE ATTACHED]



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 4 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

#### 1.0. **PURPOSE AND SCOPE:**

- 1.1. The Board of Directors of North County Fire Protection District (the "Board of Directors") hereby establishes and states its goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 of Part I of Division 2 of Title 5 of the Government Code of the State of California) (the "Act"), as amended, in providing adequate public infrastructure improvements and public services for North County Fire Protection District (the "District"). The following goals and policies shall apply to all Community Facilities Districts hereafter formed or proposed to be formed by the District. Any policy or goal stated herein may be supplemented, amended or waived by resolution or motion adopted by the Board of Directors.
- 1.2. The purpose of this Statement of Goals and Policies is to provide the District Staff, the residents of the District and the owners and developers of property located within the District with guidance in the application for and consideration of the establishment of Community Facilities Districts within the District for the purpose of financing or assisting in financing the acquisition or construction of public infrastructure or the provision of authorized public services to benefit and serve either existing or new development or a combination thereof. The underlying principles behind this Policy are the protection of the public interest, assuring fairness in the application of special taxes to current and future property owners, assuring full disclosure of the existence of any special tax liens, insuring the creditworthiness of any Community Facilities District special tax bonds, protecting the District's credit rating and financial position and assuring that applicants for all Community Facilities District proceedings, other than District-initiated proceedings, pay all costs associated with the formation of any Community Facilities District.
- 1.3. The scope of this Policy is limited to the proposed formation of Community Facilities Districts for the limited purpose of financing or assisting in financing the acquisition or construction of public infrastructure and/or the provision of authorized public services.



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 5 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

#### 2.0. **INTRODUCTORY STATEMENT:**

- 2.1. The District will consider applications initiated by owners or developers of vacant property proposed to be developed, owners of property within existing developed areas or registered voters residing in existing developed areas or the District itself, for the establishment of Community Facilities Districts to finance authorized public improvements or to provide authorized public services, which benefit or serve existing or new development or a combination thereof. A Community Facilities District proposed to be established to finance public improvements or authorized services to serve new development may be referred to as a "Development-Related CFD."
- 2.2. Each application for the establishment of a Community Facilities District must comply with the applicable goals and policies contained herein unless the Board of Directors expressly grants an exception to or waiver of such policy or policies as they apply to a specific application.

#### 3.0. **FINDING OF PUBLIC INTEREST OR BENEFIT:**

- 3.1. The Board of Directors may authorize the initiation of proceedings to form a Community Facilities District to finance authorized public improvements or to provide authorized public services if the Board of Directors determines that the public improvements to be financed or public services to be provided or, in the case of a Development-Related CFD, the attributes of the new development will provide, in the opinion of the Board of Directors, a public benefit to the community-at-large, as well as the benefit to be derived by the properties within the Community Facilities District.
  - 3.1.1. Examples of public benefit to the community-at-large may include, but are not limited to, the following:
    - 3.1.1.1. Construction of a major public facility which meets a community need including, finance the purchase, construction, expansion, improvement or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer or finance planning and design work that



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 6 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

- is directly related to the purchase, construction, expansion or rehabilitation of any real or tangible property.
- 3.1.1.2. Provision of District infrastructure sooner than would otherwise be required for a particular development project.
  - 3.1.1.3. Construction of District infrastructure to serve commercial or industrial projects, where the District's facilities are necessary to meet increased demands placed upon the District in the area currently served by District.
  - 3.1.1.4. Provision of new development that meets specific land use goals and objectives of the District.
  - 3.1.1.5. Provision of maintenance or other authorized public services identified establishing the Community Facilities District to finance the costs of improving, replacing, constructing, and/or acquiring facilities as a priority necessary to promote or maintain quality of life and public safety within existing or developing areas of the District.
  - 3.1.1.6. Provision of new fire, rescue, and/or Emergency Medical Services, to include personnel costs, as well as new apparatus and equipment associated with provision of said new services.
- 4.0. **AUTHORIZED PUBLIC FACILITIES:**
- 4.1. Facilities eligible to be financed by a Community Facilities District must, upon the completion of the construction or acquisition thereof financed through such a Community Facilities District, be owned by the District, another public agency or a public utility and must have a useful life of five (5) years or more. The list of eligible facilities includes, but is not limited to, the types of facilities specified in Government Code Section 53313, as it currently exists, or may hereafter be amended.
  - 4.2. The funding of facilities to be owned, operated or maintained by public agencies other than the District shall be considered on a case-by-case basis. If such facilities are consistent with the approved land use plans for the proposed Community Facilities District, the District may consider entering into a Joint Community Facilities Agreement in order to permit the financing of such facilities through such Community Facilities District. The Board of Directors shall have the final determination as to the eligibility of any facility for financing.



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 7 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

#### 5.0. **PRIORITIZATION OF FACILITIES:**

- 5.1. It is the Policy of the District to give first priority to the provision of public facilities benefiting the District in any Community Facilities District established by the District.
- 5.2. It is secondarily the Policy of the District, in any Community Facilities District established by the District, to assist in the financing of other public facilities to be owned, operated or maintained by other public agencies or public utilities.
- 5.3. The Board of Directors shall have the final determination as to the prioritization of financing of any facilities.

#### 6.0. **AUTHORIZED PUBLIC SERVICES:**

- 6.1. Except as provided in the following paragraph, public services proposed to be financed through a Community Facilities District may include such services as may be authorized by the Act. The Board of Directors shall have the final determination as to the prioritization of financing of such services.
- 6.2. A Community Facilities District formed by the District may not finance public services provided by any other public agency.

#### 7.0. **SPECIAL TAX REQUIREMENTS:**

##### 7.1. **REASONABLE BASIS OF APPORTIONMENT:**

- 7.1.1. Special taxes must be allocated and apportioned on a reasonable basis to all categories and classes of property (other than exempt property) within the Community Facilities District. Exemptions from the special tax may be given to parcels which are publicly owned, are held by property owners' associations, are used for a public purpose such as permanent open space or wetlands or are affected by public utility easements that make it impractical their utilization for other than the purposes set forth in the easement.



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 8 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

#### 7.2. MAXIMUM SPECIAL TAXES AND AGGREGATE TAX AND ASSESSMENT BURDEN:

7.2.1. It is the Policy of the District that the Maximum Annual Special Tax applicable to any parcel used for residential purposes within a Community Facilities District formed by the District shall not exceed one percent (1%) of the Base Sale Price, i.e., excluding upgrades and lot premiums, of residential properties to be subject to the levy of the special tax (the "Developed Residential Properties"), determined as of the date of formation of the Community Facilities District. In the case of a Development-Related CFD, the Base Sales Price of such Residential Properties shall be based upon a price point analysis undertaken by a market absorption consultant retained by the applicant for a proposed Community Facilities District and which conclusions have been verified by a market absorption consultant retained by the District. As a distinct and separate requirement, the total of the following property taxes, assessments and special taxes described below, shall not exceed two (2%) of such Base Sales Price of Developed-Residential Properties:

7.2.1.1. Ad valorem property taxes.

7.2.1.2. Voter approved ad valorem property taxes in excess of one percent (1%) of the assessed value of the subject properties.

7.2.1.3. The maximum annual special taxes levied by the Community Facilities District under consideration and any other Community Facilities District or other public agency.

7.2.1.4. The annual assessment installments, including any administrative surcharge, for any existing assessment district where such assessment installments are utilized to pay debt service on bonds issued for such assessment district.

7.2.1.5. Annual assessments levied within an assessment district to pay for maintenance or services.

7.2.2. The foregoing requirement shall apply not only to property taxes, assessments and special taxes which are being levied at the time of formation of the Community Facilities District, but such additional property taxes, assessments and special taxes, which have been authorized but not yet levied, as estimated by the District.





# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 9 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

#### 7.3. RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES:

7.3.1. The rate and method of apportionment of the special tax for any Community Facilities District shall adhere to the following requirements:

7.3.1.1. The rate and method of apportionment for special taxes for a Community Facilities District must be structured so as to produce special tax revenues sufficient to:

7.3.1.1.1. Pay scheduled debt service on all bonds issued for the Community Facilities District (the "Bonds"); pay annual services or maintenance expense if applicable; pay amounts equal to existing or projected delinquencies in special tax payments; fund any amounts required to establish or replenish any reserve fund established for such Bonds; and pay reasonable and necessary annual administrative expenses of the Community Facilities District.

7.3.1.1.2. Additionally, the rate and method of apportionment may be structured so as to produce amounts sufficient to fund (a) amounts to pay directly the costs of public facilities authorized to be financed by the Community Facilities District, (b) the accumulation of funds reasonably required for future debt service on Bonds, (c) remarketing, credit enhancement or liquidity fees, and (d) any other costs or payments permitted by law. The special tax revenues necessary to fund all required expenses or deposits for a Community Facilities District may be referred to as the "Special Tax Requirement."

7.3.1.2. In any case, the rate and method of apportionment must be structured such that the projected maximum special tax that could be levied in any fiscal year would produce special tax revenues at least equal to (a) 110% of projected annual debt service on all Bonds for the calendar year commencing in such fiscal year, plus (b) projected administrative expenses of the Community Facilities District for the calendar year commencing in such fiscal year.



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 10 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

- 7.3.1.3. A backup special tax shall be required for any Development-Related CFD to protect against changes in density resulting in the generation of insufficient special tax revenues to pay annual debt service and administrative expenses. The Board of Directors may additionally or alternatively require that as a condition of approval of the downsizing of the development in a Development-Related CFD at the request of the applicant or the applicant's successor-in-interest, as applicable, must prepay such portion of the special tax obligation as may be necessary in the determination of the District to ensure that adequate debt service coverage exists with respect to any outstanding bonds or otherwise provides security in a form and amount deemed necessary by the Board of Directors to provide for the payment of debt service on the bonds.
- 7.3.1.4. An option to permit the prepayment, in whole or in part, of the special tax obligation for an individual parcel shall be included in any rate and method of apportionment of special taxes to pay for public facilities. Such prepayment shall be permitted only if (a) the payment of all special taxes for such a parcel is current and (b) following such prepayment, the projected maximum special taxes that could be levied in any fiscal year on all remaining taxable property within the Community Facilities District will produce the special tax revenues required in paragraph B above. No prepayment shall be permitted of a special tax levied to finance authorized services or maintenance.
- 7.3.1.5. The maximum special tax to pay for public facilities shall be levied against any parcel used for private residential purposes in the first fiscal year following the fiscal year in which the building permit for the construction of a residential dwelling unit on such parcel is issued and such maximum special tax may not escalate.
- 7.3.1.6. The rate and method of apportionment of a special tax to pay for public facilities shall specify a fiscal year beyond which the special tax may not be levied on any parcel used for private residential purposes. In most cases, that final date will be ten (10) years after the stated maturity of any bond issues. Such a special tax will cease to be levied when all bonds and the District's administrative costs have been paid. A special tax to pay for public services or maintenance shall have no termination date unless established by the Board of Directors.



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 11 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

#### 8.0. CREDIT QUALITY REQUIREMENTS FOR SPECIAL TAX BONDS:

#### 8.1. TERMS AND CONDITIONS OF SPECIAL TAX BONDS:

8.1.1. All terms and conditions of any special tax bonds issued by the District for any Community Facilities District, including, without limitation, the sizing, timing, term, interest rates, discount, redemption features, flow of funds, investment provisions and foreclosure covenants, shall be established by the District. Each special tax bond issue shall be structured to adequately protect bond owners and to avoid negatively impacting the District's access to the municipal bond market. Unless otherwise approved by the Board of Directors, the following shall serve as minimum bond requirements:

8.1.1.1. A Reserve Fund shall be established for each bond issue to be funded out of the bond proceeds in an amount equal to 10% of the original proceeds of the bonds or such lesser amount as may be required by federal tax law.

8.1.1.2. Interest shall be capitalized for a bond issue only so long as necessary to place the special tax installments on the assessment roll; provided, however, interest may be capitalized for a term to be established in the sole discretion of the Board of Directors on a case-by-case basis, not to exceed an aggregate of eighteen (18) months, taking into consideration the value-to-debt ratio, the expected timing of initial occupancies, expected absorption and buildout of the project, the expected construction and completion schedule for the public improvements to be funded from the proceeds of the bond issue in question, the size of the bond issue, the development pro forma and the equity position of the applicant and such other factors as the Board of Directors may deem relevant. Irrespective of the term or amount of capitalized interest included in any bonds issued for a Community Facilities District, the maximum special tax shall be levied against any parcel used for private residential purposes in the first fiscal year following the fiscal year in which the building permit for the construction of such residential dwelling unit is issued.

8.1.1.3. In instances where multiple series of bonds are to be issued, the District shall determine what improvements shall be financed from the proceeds of each series of bonds.



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 12 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

8.1.1.4. The District shall not be required or expected to make any payment of the bonds out of its general funds or other available funds. The sole source of revenue for the payment of the bonds shall be the special taxes, capitalized interest, if any, and moneys on deposit in the Reserve Fund established for such bonds.

#### 8.2. CREDIT ENHANCEMENT:

8.2.1. Where a substantial amount of a property within a Community Facilities District is undeveloped at the time of issuance of Bonds for such Community Facilities District, the District may, in its discretion, require credit enhancement to increase the security of the Bonds, particularly where the value-to-debt ratio of a significant portion of the property in such Community Facilities District is less than 4:1, or in such other situations where the District determines such an increase in credit quality to be necessary, appropriate or prudent.

8.2.2. Such credit enhancement will usually be in the form of an irrevocable standby letter of credit, will be required to be in an amount not less than 200% of the share of debt service allocable to the applicable developer owned parcels for which such credit enhancement is required and will be required to remain in effect until the share of debt service allocable to such developer owned parcels is less than 20% of the annual debt service on all outstanding bonds issued for such Community Facilities District.

8.2.3. The credit enhancement will generally be required to be issued or guaranteed by an entity, the long-term unsecured obligations of which are rated at least "A" by Moody's Investor Services or Standard & Poor's Ratings Services.

#### 9.0. REQUIRED-VALUE-TO-DEBT RATIO:

9.1. It is the Policy of the District that the value-to-debt ratio, i.e., the full market value of the properties subject to the levy of special taxes, including the value of the improvements to be financed from the proceeds of the issue or series of special tax bonds for which the value-to-debt ratio is being computed, compared to the aggregate amount of the special tax lien proposed to be created plus any prior



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 13 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

fixed assessment liens and/or special tax liens, for a Community Facilities District must be at least 4:1. A Community Facilities District with a Value-To-Debt Ratio of less than 4:1 but equal to or greater than 3:1 may be approved, in the sole discretion of the Board of Directors, upon a determination by the District Manager, after consultation with the Finance Director, the bond counsel, the underwriter and the financial advisor, that a Value-To-Debt Ratio of less than 4:1 is financially prudent under the circumstances of the particular Community Facilities District. In addition, the Board of Directors may, in its sole discretion, accept a form or forms of credit enhancement such as a letter of credit, bond insurance or the escrow of bond proceeds to offset a deficiency in the required Value-To-Debt Ratio as it applies to the taxable property within the Community Facilities District in the aggregate or with respect to any development area.

- 9.2. The Value-To-Debt Ratio shall be determined based upon the full market value of the properties subject to the levy of the special tax as shown on the ad valorem assessment roll or upon an appraisal of the properties proposed to be assessed. The District Manager may require that the Value-To-Debt Ratio be determined by an appraisal if, in his judgment, the assessed values of the properties proposed to be assessed do not reflect the current full cash value of such properties. The appraisal shall be coordinated by, done under the direction of, and addressed to the District. The appraisal shall be undertaken by a state certified real estate appraiser, as defined in Business and Professions Code Section 11340. The appraiser shall be selected and retained by the District. The costs associated with the preparation of the appraisal report shall be paid by the applicant for the Community Facilities District but shall be subject to possible reimbursement as provided for herein. The appraisal shall be conducted in accordance with assumptions and criteria established by the District, based upon the definitions, standards and assumptions contained in the following section.

#### 9.3. APPRAISALS:

- 9.3.1. The definitions, standards and assumptions to be used in appraisals required in connection with the District's use of the Act for Community Facilities Districts are as set forth in the Appraisal Standards for Land Secured Financings published by the California Debt Advisory Commission and originally dated May 1994 and modified July 2004 (the "CDIAC Guidelines").



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 14 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

9.3.2. Notwithstanding the foregoing, if there is a conflict between the definitions, standards or assumptions in the CDIAAC Guidelines and the corresponding definitions, standards or assumptions in the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation ("USPAP"), USPAP shall govern.

#### 9.4. ABSORPTION STUDY:

9.4.1. An independent absorption study of any proposed residential development project within a proposed Development-Related CFD, and in such other cases as may be appropriate, shall be required for the formation of such Community Facilities District. The independent absorption study shall be used:

- 9.4.1.1. As a basis to verify proposed base pricing of the finished products (lots or completed buildings or dwelling units) subject to the levy of the special tax;
- 9.4.1.2. To determine the projected market absorption of such finished products; and
- 9.4.1.3. As a basis for verification that sufficient special tax revenues can be generated to fund the Special Tax Requirement for the Community Facilities District.

9.4.2. The District may require an independent Absorption Study of any proposed industrial or commercial development within a proposed Community Facilities District. Additionally, the projected absorption rates will be provided to the appraiser for use in the appraisal.

#### 9.5. DISCLOSURE TO PROPERTY PURCHASERS IN DEVELOPMENT-RELATED CFD'S:

9.5.1. The developer of property within a Development-Related CFD who is selling lots, parcels or developed properties therein, shall provide disclosure notice to prospective purchasers that comply with all of the requirements of the Act, including but not limited to Government Code Section 53341.5.



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 15 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

9.5.2. The applicant must keep an executed copy of each disclosure document and agree to provide a copy of all applicable executed disclosure documents to the District upon request.

#### 9.6. PREFORMATION COST DEPOSITS AND REIMBURSEMENTS:

9.6.1. Except for those applications for Community Facilities Districts where the District is the applicant, all District and consultant costs incurred in the proceedings to form a Community Facilities District and issue special tax bonds therefor will be paid by the applicant by advance deposit with the District of moneys sufficient to pay all such costs. Each application for the formation of a Community Facilities District shall be accompanied by an initial deposit in an amount to be determined by the District Manager or the Director of Finance to be adequate to fund the evaluation of the application and undertake the proceedings to form the Community Facilities District and issue the special tax bonds therefor. The Fire Chief/CEO or Administrative Division Chief may, in his or her sole discretion, permit an applicant to make periodic deposits to cover such expenses rather than a single lump sum deposit; provided, however, no preformation costs shall be incurred by the District in excess of the amount then on deposit for such purposes. If additional funds are required to pay required preformation costs, the Fire Chief/CEO or Administrative Division Chief may make written demand upon the applicant for such additional funds and the applicant shall deposit such additional funds with the District within seven (7) working days of the date of receipt of such demand. Upon the depletion of the funds deposited by applicant for preformation costs, all proceedings shall be suspended until receipt by the District of such additional funds as the Fire Chief/CEO or Administrative Division Chief may demand.

9.6.2. The deposits shall be used by the District to pay for costs and expenses incurred by the District incident to the evaluation of the application and the proceedings for the formation of the Community Facilities District and the issuance of the special tax bonds therefor, including, but not limited to, legal, special tax consultant, engineering, appraisal, market absorption, financial



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 16 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

advisor, District administrative and staff costs and expenses, required notifications, printing and publication costs.

- 9.6.3. The District shall refund any unexpended and unencumbered portion of the deposits upon the occurrence of one of the following events:
- 9.6.3.1. The formation of the Community Facilities District and the issuance of the special tax bonds for such Community Facilities District;
  - 9.6.3.2. The formation of the Community Facilities District or the issuance of the special tax bonds is disapproved by the Board of Directors;
  - 9.6.3.3. The proceedings for the formation of the Community Facilities District and the issuance of the special tax bonds are abandoned at the written request of the applicant; or
  - 9.6.3.4. It is determined for some other reason that the special tax bonds may not be issued and sold.
- 9.6.4. Except as otherwise provided herein, the applicant shall be entitled to reimbursement of all amounts deposited with the District to pay for costs incident to the proceedings for the formation of the Community Facilities District and the issuance of the special tax bonds therefor upon the formation of the Community Facilities District and the successful issuance and sale of the special tax bonds for the Community Facilities District. Any such reimbursement shall be payable solely from the proceeds of the special tax bonds.
- 9.6.5. The District shall not accrue or pay interest on any moneys deposited with the District.

#### 10.0. **SELECTION OF CONSULTANTS:**

- 10.1. The District shall select and retain all consultants necessary for the evaluation of any application and the proceedings for the formation of a Community Facilities District and the issuance of the special tax bonds therefor, including, but not limited to, special tax consultant, bond counsel, disclosure counsel, financial advisor, underwriter, appraiser and market absorption analyst after consultation with the applicant.





# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 17 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

#### 11.0. **LAND USE APPROVALS:**

- 11.1. Properties proposed to be included in a Development-Related CFD must have received such discretionary land use approvals as may, in the determination of the District, be necessary to enable the District to adequately evaluate the Community Facilities District including the properties to be included and the improvements proposed to be financed. The District will issue bonds secured by the levy of special taxes within a Development-Related CFD only when (i) the properties included within such Community Facilities District have received those applicable discretionary land use approvals which would permit the development of such properties consistent with the assumptions utilized in the development of the rate and method of apportionment of the special taxes for such Community Facilities District and (ii) applicable environmental review has been completed.
- 11.2. The final rate and method of apportionment of the special taxes approved at the time of the adoption of the resolution of formation of a Community Facilities District will be based upon the final map of the property within the Community Facilities District.
- 11.3. Bond proceeds will only be released to the extent that such bonds are secured by the levy of special taxes on properties that require no further discretionary land use approvals or regulatory permits the denial of which could prohibit or delay the development of such property, including but not limited to, rough or finish grading, construction of both in tract and offsite public improvements, construction of all private improvements and/or the issuance of building permits for such property.
- 11.4. It is the Policy of the Board of Directors in granting approval for development such as zoning, specific plan or subdivision approval to grant such approval as a part of the District's ongoing planning and land use approval process. In granting such approval, the District reserves such rights as may be permitted by law to modify such approvals in the future as the Board of Directors determines the public health, safety, welfare and interest may require. Such approval when granted is subject to a condition that the construction of any part of the development does not, standing alone, grant any rights to complete the development of the remainder of such development.



# NORTH COUNTY FIRE PROTECTION DISTRICT

## POLICY AND PROCEDURE MANUAL

GOVERNANCE  
BOARD OF DIRECTORS

SECTION 110.02  
July 23, 2019  
Page 18 of 18

### STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS

- 11.5. Construction of public improvements to serve undeveloped land financed through a Community Facilities District shall not vest any rights to the then existing land use approvals for the property assessed for such improvements or to any particular level, type or intensity of development or use. Applicants for a Development-Related CFD must include an express acknowledgment of this Policy and shall expressly waive on their behalf and on behalf of their successors and assigns any cause of action at law or in equity including, but not limited to, taking or damaging of property, for reassessment of property or denial of any right protected by USC Section 1983 which might be applicable to the properties to be assessed.