



# FRESNO COUNTY FIRE

PROTECTION DISTRICT

210 South Academy Avenue  
Sanger, California 93657  
Telephone: (559) 493-4300  
Fax: (559) 875-8473  
[www.fresnocountyfire.org](http://www.fresnocountyfire.org)

## STAFF REPORT

**To:** President Del Puppo and Members of the Board  
Fresno County Fire Protection District

**Date:** April 13, 2018

**From:** William D. Ross, District Counsel

**Subject:** Resolution No. 2018-02, Reducing District CFD Taxes for  
Single Family Residential Properties

### **BACKGROUND:**

Consistent with the Mello-Roos Community Facilities Act of 1982, California Government Code Section 53311 *et seq.* ("Mello-Roos Act"), the Fresno County Fire Protection District ("District") currently administers Community Facilities District No. 2010-01 (the "CFD"). The CFD funds District services and facilities, pursuant to the Rate and Apportionment procedures established in District Resolution 2010-09 and amended by Resolution 2016-03.

The CFD is split into two separate zones. Zone 1 is Millerton New Town, while Zone 2 is the entire remainder of the District. Two different taxes are levied in the CFD: Special Tax A, which is used to fund facilities, and Special Tax B, which funds services.

The rates for Special Tax A and Special Tax B vary between Zone 1 and Zone 2, and depending on the type of property. CFD taxes are currently levied on various classifications of properties, including Single-Family Residential Property, Multi-Family Residential Property, Commercial Property, Office Property, Industrial Property, and Non-Conforming Property.

The Mello-Roos Act authorizes the District to reduce or eliminate CFD taxes. (See, e.g., Government Code Sections 53330.5 and 53331). Previously, on September 21, 2016, the District adopted various changes to the CFD Rate and Apportionment, including clarifying applicable appeals procedures and lowering taxes on all property types in Zone 2 by 50%.

Additional changes are proposed to the CFD, which would streamline and reduce the costs of administering the CFD.

First, the proposed Resolution amends the CFD's Rate and Method of Apportionment by exempting certain Single-Family Residential ("SFR") properties from taxation. Specifically, the following SFR property would be classified as "Exempt Property" and not subject to CFD taxation: (1) SFR Property resulting from subdivisions of land occurring prior to the formation of the CFD in May 2010, and (2) SFR Property resulting from subdivisions of land into two or less lots or Assessor's Parcels. CFD taxes would continue to be applied to SFR properties that resulted from subdivisions of land into three or more parcels which occurred after the CFD's formation.

Second, the Resolution clarifies the CFD by eliminating the tax on "Non-Conforming Property." Non-Conforming Property is presently defined as "an Assessor's Parcel of Non-Residential Property that is not classified as Commercial Property, Office Property or Industrial Property." Removing so-called Non-Conforming Property from the scope of the CFD would not only make administering the CFD more efficient and cost-effective, it also clarifies that the CFD is not intended to apply to auxiliary structures placed on Single-Family Residential property, such as small garages, outbuildings, sheds, or barns.

Tax rates on all other properties would remain unchanged.

Lastly, the Resolution clarifies the role of Fresno County in identifying "Industrial Property" that is subject to the CFD. These include properties zoned by Fresno County for industrial use, including but not limited to cold storage and slaughter houses, cotton gin and compresses, factories, air terminals, storage facilities, granary and rice mills, light industrial, light manufacturing, lumber yards, oil and gas bulk plants, packing houses, warehouses, and wineries.

Should the District Board of Directors adopt the proposed Resolution, compliance with the Mello-Roos Act would also require a second hearing to be held not less than thirty (30) nor more than sixty (60) days after the adoption of the Resolution to confirm its intent (see, Government Code Section 53334), and written notice must be provided to the Fresno County Auditor of the changes on or before August 10<sup>th</sup> of the current tax year. (See, Government Code Section 53340(b)).

### **RECOMMENDATION:**

Consistent with prior Board direction and District Staff analysis, to streamline the administration of the District CFD and reduce the taxes on Single-Family Residential property owners, it is recommended that the Board approve the proposed resolution, while maintaining all other current tax rates at their current levels.

### **Attachments:**

Proposed District Resolution No. 2018-02  
Resolution Attachment A



# FRESNO COUNTY FIRE

PROTECTION DISTRICT

210 South Academy Avenue  
Sanger, California 93657  
Telephone: (559) 493-4300  
Fax: (559) 875-8473  
[www.fresnocountyfire.org](http://www.fresnocountyfire.org)

## RESOLUTION No. 2018-02

### BEFORE THE BOARD OF DIRECTORS OF THE FRESNO COUNTY FIRE PROTECTION DISTRICT WITHIN THE COUNTY OF FRESNO, STATE OF CALIFORNIA

#### RESOLUTION NO: 2018-02

#### RESOLUTION OF CONSIDERATION FOR APPROVING MODIFICATIONS TO COMMUNITY FACILITIES DISTRICT NO. 2010-01 TO EXEMPT FROM TAXATION SINGLE FAMILY RESIDENTIAL PROPERTIES RESULTING FROM SUBDIVISIONS OF LAND OF LESS THAN THREE PARCELS AND TO IMPLEMENT PROVISIONS ENHANCING ITS ADMINISTRATION

**WHEREAS**, on May 19, 2010 the Board of Directors ("Board") of the Fresno County Fire Protection District ("District") adopted Resolution No. 2010-7, thereby establishing Community Facilities District No. 2010-01 (the "CFD") within the District pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code Section 53311 *et seq.* ("Mello Roos Act"); and,

**WHEREAS**, since that time, and consistent with the Mello Roos Act, the CFD has been administered to fund District services and facilities consistent with the Rate and Apportionment procedures specified in District Resolution 2010-09, adopted June 22, 2010; and,

**WHEREAS**, the District CFD consists of two zones: Zone 1 is Millerton New Town, and Zone 2 is the remainder of the District; and,

**WHEREAS**, the District CFD is comprised of two special taxes: Special Tax A, which is used to fund the costs of facilities, and Special Tax B, which is used to fund the costs of services; and,

**WHEREAS**, CFD taxes are currently levied on Single-Family Residential Property, Multi-Family Residential Property, Entitled Property, Commercial Property, Office Property, Industrial Property, Non-Conforming Property, and Mixed-Use Property; and,

**WHEREAS**, on September 21, 2016 the District adopted Resolution 2016-03, which among other things, lowered all tax rates in Zone 2 by 50%; and,

**WHEREAS**, Government Code Sections 53330.5 and 53331, portions of the Mello Roos Act, as well as other applicable law, authorize the District to alter the Rate and Apportionment of the CFD taxes, including decreasing or eliminating the applicable taxes; and,



**WHEREAS**, in an effort to streamline the administration of the CFD and lower the impact of the CFD in Zones 1 and 2, modifications to the Rate and Apportionment of the CFD's special tax originally established by Resolution 2010-09 have been proposed, as set forth in Exhibit A, which would exempt from CFD taxation all Single Family Residential Properties that were subdivided prior to the formation of the CFD on May 19, 2010, as well as Single Family Residential Property that, since the formation of the District, were the result of subdivisions of land into two or fewer parcels; and,

**WHEREAS**, in doing so, it is the intent of the District, with regard to Single-Family Residential Properties, to only levy CFD taxes on Single-Family Residential properties that resulted from subdivisions of land into three or more parcels which occurred after the CFD's formation; and,

**WHEREAS**, consistent with this intent, Section G of the CFD's Rate and Apportionment is amended accordingly; and,

**WHEREAS**, the CFD also taxes so-called "Non-Conforming Property" which is defined by the Rate and Apportionment as an Assessor's Parcel of Non-Residential Property that is not classified as Commercial Property, Office Property or Industrial Property; and,

**WHEREAS**, in an effort to reduce the costs in administering the CFD and to reduce the burden of CFD taxes on residents, the District also wishes to remove "Non-Conforming Property" from CFD taxation, as indicated in Exhibit A hereto; and,

**WHEREAS**, the applicable rates for all other property types are to remain unchanged; and,

**WHEREAS**, the Rate and Apportionment is also amended to clarify the definition of Industrial Property and the role of Fresno County in identifying those properties; and,

**WHEREAS**, the proposed amendments will not adversely effect District finances or the servicing of any District debt; and,

**WHEREAS**, subsequent steps will be necessary to fully implement these changes, including fixing a time and place for a second public hearing within thirty (30) to sixty (60) after the adoption of this resolution to confirm its adoption and implementation, consistent with Government Code Section 53334, as well as providing written notice to the Fresno County Auditor on or before August 10<sup>th</sup> of the current tax year, consistent with Government Code Section 53340(b); and,

**THEREFORE, BE IT RESOLVED** by the Board of Directors of the Fresno County Fire Protection District, the said Board does hereby approve the amendments to District CFD 2010-01 as set forth in Exhibit A, thereby amending the Rate and Apportionment Procedures originally established by Resolution 2010-09.

**BE IT FURTHER RESOLVED**, that a public hearing will be held at the District Board's May 2018 meeting or such other date not less than thirty (30) nor more than sixty (60) days from the adoption of this Resolution to confirm and implement its findings and to direct staff to provide notice to the Fresno County Auditor.

The foregoing Resolution was duly passed and adopted by the Board of Directors of the Fresno County Fire Protection District at a regular meeting thereof, held on the 18<sup>th</sup> day of April, 2018 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
**Michael Del Puppo**  
**President**  
**Fresno County Fire Protection District**

ATTEST:

I **Maribel Hauff**, Clerk of the Fresno County Fire Protection District of California does hereby certify that this is a true and correct copy of the original.

\_\_\_\_\_  
Signature  
Clerk to the Board

## EXHIBIT A TO RESOLUTION NO. 2018-02

Proposed Modifications to:

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 2010-01 OF THE FRESNO COUNTY FIRE PROTECTION DISTRICT

The following sections of the CFD Rate and Apportionment schedule established by Resolution 2010-09 and amended by Resolution 2016-03, are hereby amended as follows:

#### ***A. DEFINITIONS***

##### **Current Definition:**

**“Non-Conforming Property”** means an Assessor's Parcel of Non-Residential Property that is not classified as Commercial Property, Office Property or Industrial Property. Classifications shall be determined by the CFD Administrator.

##### **Amended Definition: Delete the Definition of Non-Conforming Property in its entirety:**

~~**“Non-Conforming Property”** means an Assessor's Parcel of Non-Residential Property that is not classified as Commercial Property, Office Property or Industrial Property. Classifications shall be determined by the CFD Administrator.~~

##### **Current Definition:**

**“Single-Family Residential” or “SFR Property”** means an Assessor’s Parcel classified as Developed Property for which a Building Permit(s) has been issued for purposes of constructing one or more single-family residential dwelling units. For purposes of this definition, condominiums are classified as SFR Property.

##### **Amended Definition:**

**“Single-Family Residential” or “SFR Property”** means an Assessor’s Parcel classified as Developed Property for which a Building Permit(s) has been issued for purposes of constructing one or more single-family residential Dwelling Units. For purposes of this definition, condominiums are classified as SFR Property. **Consistent with Section G “Exemptions” herein, SFR Property resulting from subdivisions of land occurring prior to**

**the formation of the CFD and SFR Property resulting from subdivisions of land into two or less Lots or Assessor's Parcels shall be Exempt Property.**

**Current Definition:**

"**Industrial Property**" means an Assessor's Parcel of Non-Residential Property for which a building permit(s) has been issued for industrial use, including but not limited to an Assessor's Parcel with a land use designation identified by the County as industrial, cold storage and slaughter house, cotton gin and compress, factory, air terminal, storage, granary and rice mill, light industrial, light manufacturing, lumber yard, oil and gas bulk plant, packing house, warehouse, and winery. Classifications shall be determined by the CFD Administrator.

**Amended Definition:**

"**Industrial Property**" means an Assessor's Parcel of Non-Residential Property for which a building permit(s) has been issued for industrial use, including ~~but not limited to~~ an Assessor's Parcel with a land use designation identified by the County *Director of Public Works and Planning or its successor office* as industrial, *including but not limited to* cold storage and slaughter house, cotton gin and compress, factory, air terminal, storage, granary and rice mill, light industrial, light manufacturing, lumber yard, oil and gas bulk plant, packing house, warehouse, and winery. Classifications shall be determined by the CFD Administrator.

***B. CLASSIFICATION OF ASSESSOR'S PARCELS***

**Section B is Amended as follows:**

Each Fiscal Year, beginning with Fiscal Year 2010-2011, each Assessor's Parcel shall be categorized by the CFD Administrator into Zone 1 or Zone 2 and classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor's Parcel of Taxable Property shall be further classified by the CFD Administrator as Developed Property, Entitled Property, Permitted Property, or Tenured Property. Lastly, each Fiscal Year, beginning with Fiscal Year 2010-2011, each Assessor's Parcel of Developed Property shall further be classified by the CFD Administrator as SFR Property, MFR Property, Non-Residential Property, or Mixed Use Property, and each Assessor Parcel of Non-Residential Property shall be classified as Commercial Property, Office Property, Industrial Property, ~~Non-Conforming Property~~, Mixed Use Property. Commencing with Fiscal Year 2010-2011 and for each subsequent Fiscal Year, all Taxable Property shall be subject to Special Taxes pursuant to Sections C below.

## C. MAXIMUM SPECIAL TAX RATES

As set forth below Section C is amended to remove Non-Conforming Property from all tax categories for both Zone 1 and Zone 2.

### 1. Developed Property

- Current Zone 1 Tax Rate Table for Developed Property (Table 1):

**TABLE 1 - ZONE 1  
DEVELOPED PROPERTY  
MAXIMUM SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax A	Maximum Special Tax B
<b>Residential</b>		
SFR Property	\$140 per Residential Unit	\$251 per Residential Unit
MFR Property	\$109 per Residential Unit	\$197 per Residential Unit
<b>Non-Residential</b>		
Commercial Property	\$0.07 per BSF	\$0.13 per BSF
Office Property	\$0.10 per BSF	\$0.18 per BSF
Industrial Property	\$0.04 per BSF	\$0.07 per BSF
Non-Conforming Property	\$0.02 per BSF	\$0.03 per BSF

- Amended Zone 1 Tax Rate for Developed Property:

**TABLE 1 - ZONE 1  
DEVELOPED PROPERTY  
MAXIMUM SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax A	Maximum Special Tax B
<b>Residential</b>		
SFR Property	\$140 per Residential Unit	\$251 per Residential Unit
MFR Property	\$109 per Residential Unit	\$197 per Residential Unit
<b>Non-Residential</b>		
Commercial Property	\$0.07 per BSF	\$0.13 per BSF
Office Property	\$0.10 per BSF	\$0.18 per BSF
Industrial Property	\$0.04 per BSF	\$0.07 per BSF



- **Current Zone 2 Tax Rate Table for Developed Property (Table 2):**

**TABLE 2 - ZONE 2  
DEVELOPED PROPERTY  
MAXIMUM SPECIAL TAX RATES**

<b>Land Use Type</b>	<b>Maximum Special Tax A</b>	<b>Maximum Special Tax B</b>
<b>Residential</b>		
SFR Property	\$46.50 per Residential Unit	\$87 per Residential Unit
MFR Property	\$36.50 per Residential Unit	\$68.50 per Residential Unit
<b>Non-Residential</b>		
Commercial Property	\$0.025 per BSF	\$0.045 per BSF
Office Property	\$0.035 per BSF	\$0.06 per BSF
Industrial Property	\$0.01 per BSF	\$0.025 per BSF
Non-Conforming Property	\$0.005 per BSF	\$0.01 per BSF

- **Amended Zone 2 Tax Rate for Developed Property (Table 2):**

**TABLE 2 - ZONE 2  
DEVELOPED PROPERTY  
MAXIMUM SPECIAL TAX RATES**

<b>Land Use Type</b>	<b>Maximum Special Tax A</b>	<b>Maximum Special Tax B</b>
<b>Residential</b>		
SFR Property	\$46.50 per Residential Unit	\$87 per Residential Unit
MFR Property	\$36.50 per Residential Unit	\$68.50 per Residential Unit
<b>Non-Residential</b>		
Commercial Property	\$0.025 per BSF	\$0.045 per BSF
Office Property	\$0.035 per BSF	\$0.06 per BSF
Industrial Property	\$0.01 per BSF	\$0.025 per BSF

## 2. Permitted Property

- **Current Zone 1 Tax Rate Table for Permitted Property (Table 3):**

**TABLE 3 - ZONE 1  
PERMITTED PROPERTY MAXIMUM SPECIAL TAX RATES**

<b>Land Use Type</b>	<b>Maximum Special Tax A</b>
<b>Residential</b>	
SFR Property	\$140 per Residential Unit
MFR Property	\$109 per Residential Unit
<b>Non-Residential</b>	
Commercial Property	\$0.07 per BSF
Office Property	\$0.10 per BSF
Industrial Property	\$0.04 per BSF
Non-Conforming Property	\$0.02 per BSF

- **Amended Zone 1 Tax Rate for Permitted Property (Table 3):**

**TABLE 3 - ZONE 1  
PERMITTED PROPERTY MAXIMUM SPECIAL TAX RATES**

<b>Land Use Type</b>	<b>Maximum Special Tax A</b>
<b>Residential</b>	
SFR Property	\$140 per Residential Unit
MFR Property	\$109 per Residential Unit
<b>Non-Residential</b>	
Commercial Property	\$0.07 per BSF
Office Property	\$0.10 per BSF
Industrial Property	\$0.04 per BSF

- **Current Zone 2 Tax Rate Table for Permitted Property (Table 4):**

**TABLE 4 - ZONE 2  
PERMITTED PROPERTY MAXIMUM SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax A
<b>Residential</b>	
SFR Property	\$46.50 per Residential Unit
MFR Property	\$36.50 per Residential Unit
<b>Non-Residential</b>	
Commercial Property	\$0.025 per BSF
Office Property	\$0.035 per BSF
Industrial Property	\$0.01 per BSF
Non-Conforming Property	\$0.005 per BSF

- **Amended Zone 2 Tax Rate for Permitted Property (Table 4):**

**TABLE 4 - ZONE 2  
PERMITTED PROPERTY MAXIMUM SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax A
<b>Residential</b>	
SFR Property	\$46.50 per Residential Unit
MFR Property	\$36.50 per Residential Unit
<b>Non-Residential</b>	
Commercial Property	\$0.025 per BSF
Office Property	\$0.035 per BSF
Industrial Property	\$0.01 per BSF

## 5. Tenured Property

- Current Zone 1 Tax Rate Table for Tenured Property (Table 7):

**TABLE 7**  
**ZONE 1**  
**TENURED PROPERTY MAXIMUM SPECIAL TAX B**

Land Use Type	Maximum Special Tax B
<b>Residential</b>	
SFR Property	\$251 per Residential Unit
MFR Property	\$197 per Residential Unit
<b>Non-Residential</b>	
Commercial	\$0.013 per BSF
Office	\$0.18 per BSF
Industrial	\$0.07 per BSF
Non-Conforming Property	\$0.03 per BSF

- Amended Zone 1 Tax Rate for Tenured Property (Table 7):

**TABLE 7**  
**ZONE 1**  
**TENURED PROPERTY MAXIMUM SPECIAL TAX B**

Land Use Type	Maximum Special Tax B
<b>Residential</b>	
SFR Property	\$251 per Residential Unit
MFR Property	\$197 per Residential Unit
<b>Non-Residential</b>	
Commercial	\$0.013 per BSF
Office	\$0.18 per BSF
Industrial	\$0.07 per BSF

- **Current Zone 2 Tax Rate Table for Tenured Property (Table 8):**

**TABLE 8**  
**ZONE 2**  
**TENURED PROPERTY MAXIMUM SPECIAL TAX B**

Land Use Type	Maximum Special Tax B
<b>Residential</b>	
SFR Property	\$87 per Residential Unit
MFR Property	\$68.50 per Residential Unit
<b>Non-Residential</b>	
Commercial	\$0.045 per BSF
Office	\$0.06 per BSF
Industrial	\$0.025 per BSF
Non-Conforming Property	\$0.01 per BSF

- **Amended Zone 2 Tax Rate for Tenured Property (Table 8):**

**TABLE 8**  
**ZONE 2**  
**TENURED PROPERTY MAXIMUM SPECIAL TAX B**

Land Use Type	Maximum Special Tax B
<b>Residential</b>	
SFR Property	\$87 per Residential Unit
MFR Property	\$68.50 per Residential Unit
<b>Non-Residential</b>	
Commercial	\$0.045 per BSF
Office	\$0.06 per BSF
Industrial	\$0.025 per BSF

## G. EXEMPTIONS

### Current Text:

The District shall classify as Exempt Property: (i) Public Property, (ii) Undeveloped Property, (iii) Assessor's Parcels used or owned exclusively by a property owners' association, or (iv) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement.

### Proposed Amended Text:

The District shall classify as Exempt Property: (i) Public Property, (ii) Undeveloped Property, (iii) Assessor's Parcels used or owned exclusively by a property owners' association, ~~or~~ (iv) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement, ***(v) SFR Property that resulted from a subdivision of land into two or less Lots or Assessor's Parcels, or (vi) SFR Property resulting from subdivisions of land occurring prior to the formation of the CFD on May 19, 2010.***