



CITY OF PLACENTIA

COMMUNITY FACILITIES DISTRICT No. 2014-01 SPECIAL TAX

FOR PUBLIC SAFETY SERVICES

TAX REPORT

FISCAL YEAR 2018-19 AND PRELIMINARY 2019-20

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EXECUTIVE SUMMARY

On February 18, 2014, the City of Placentia formed Community Facilities District No. 2014-01 ("CFD", or "District") in accordance with the Mello-Roos Community Facilities Act of 1982. The District was established by a majority vote of landowner electors to provide public safety services associated with new development within Placentia including, but not limited to, police protection, fire protection, and ambulance and paramedic services. The services would be partially paid for through the levy of a Special Tax on real property.

This Report summarizes the purpose of the Special Tax, method of apportionment, and other related data as required by the Mello-Roos Community Facilities Act of 1982 (Government Code § 53343.1).

The Special Tax was collected for the first time in fiscal year 2014-15. In future years, the Special Tax will continue to be collected and its revenue will continue to be used to provide public safety services.

SERVICES AND FACILITIES

The types of services and facilities to be funded by the District include: Police protection services and fire protection and suppression services, including but not limited to 1) the costs of contracting services, 2) equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, and 3) the salaries and benefits of City staff that directly provide police protection services and fire protection and suppression services and other costs associated with providing such services within the District.

RATE AND SPECIAL TAX METHOD OF APPORTIONMENT

The adoption of the Special Tax in 2014 authorized the City to levy the Special Tax at a rate of \$225.00 per single-family residential unit and \$170.00 per multi-family residential unit for fiscal year 2014-15. The special tax allows for an inflationary adjustment equal to the greater of 5% or the Los Angeles – Riverside – Orange County Consumer Price Index (CPI). The full Rate and Method of Apportionment is included in Exhibit B.

The Special Tax rates for fiscal year 2018-19 and 2019-20 are shown in the following Figure.

FIGURE 1 – SPECIAL TAX RATES

Parcel Type	2018-19 Tax Rate	2019-20 Tax Rate
Single-Family	\$ 273.49	\$ 287.16
Multi-Family	\$ 206.64	\$ 216.97

SPECIAL TAX SUMMARY

There were 111 taxable parcels in the District as of July 1, 2018. The total annual special tax collected within the District for fiscal year 2018-19 was \$30,357.39.

There were 111 taxable parcels in the District as of July 1, 2019. The total annual special tax anticipated to be collected within District for fiscal year 2019-20 is \$34,746.36.

SUMMARY OF SPECIAL TAX BY YEAR

SPECIAL TAX REVENUE

Summarized below are the tax revenues for fiscal year 2018-19, preliminary amounts for 2019-20, and historical information for years since 2014-15.

FIGURE 2 – SPECIAL TAX REVENUES

Tax Year	Single-Family Units	Tax Rate	Multi-Family Units	Tax Rate	Special Tax Revenue *
2014-15 **		\$ 225.00		\$ 170.00	
2015-16	33	\$ 236.25	0.00	\$ 178.50	\$ 7,796.25
2016-17	106	\$ 248.06	0.00	\$ 187.43	\$ 26,294.36
2017-18	111	\$ 260.47	0.00	\$ 196.80	\$ 28,912.17
2018-19	111	\$ 273.49	0.00	\$ 206.64	\$ 30,357.39
2019-20 ***	121	\$ 287.16	0.00	\$ 216.97	\$ 34,746.36

* Revenue amounts are not reduced by amount of County collection charges

** Parcel data for FY 2014-15 is not available

*** FY 2019-20 figures are preliminary

SPECIAL TAX COSTS AND EXPENDITURES

Revenue from fiscal year 2018-19 property tax bill collections were used to fund operating expenses in order to provide public safety services within the District boundaries. For fiscal year 2019-20, all expenditures from the special tax proceeds are budgeted to be made for the same services.

FIGURE 3 – SUMMARY OF SPECIAL TAX EXPENDITURES FOR FISCAL YEAR 2018-19

Element	Expense
Facilities	-
Bonds	-
Services	\$ 30,324.09
Administration	-
County Collection Fees	33.30
Total Expense	<u>\$ 30,357.39</u>

BONDED DEBT

No bonded debt has been issued by the City for this District.

ADMINISTRATION OF SPECIAL TAXES

GENERAL ADMINISTRATIVE REQUIREMENTS

The Mello-Roos Community Facilities District Act of 1982 (the Act) requires that a Special Tax Report, or Annual Report, must be prepared annually to identify the Special Tax Rate for all parcels, the proceeds received, and the moneys expended for services, facilities, bonded indebtedness, and other administrative services.

The Special Tax levies are calculated for all parcels on the new fiscal year's assessor roll. This roll includes all parcels that are in existence prior to January 1 of the previous fiscal year. After the Special Tax levies have been computed, the levy data must be filed with the County Auditor prior to August 10 of each year for inclusion on property tax bills.

After submission of the Special Tax levies, the final levies should be confirmed with the County Auditor prior to the preparation of tax bills, which typically occurs in October. The Special Tax is collected in two installments on the tax bills that are due on December 10 and April 10.

USE OF PROCEEDS

All proceeds of the Special Tax levied and imposed shall be accounted for and paid into a special account designated for use of operations and maintenance of the District, pursuant to Government Code Section 50075.1(b) and (c).

NOTICES OF SPECIAL TAX LIEN

The Act states "For purposes of enabling sellers of real property subject to the levy of special taxes to satisfy the notice requirements of subdivision (b) of Section 1102.6 of the Civil Code, the designated office, department, or bureau shall furnish a Notice of Special Tax to any individual requesting the notice or any owner of property subject to a special tax levied by the local agency within five working days so receiving a request for such notice. The local agency may charge a reasonable fee for this service not to exceed ten dollars."

In addition, any developer, subdivider or his or her agent or representative shall not sell or lease any property subject to the Special Tax until the prospective purchaser or lessee has been furnished with and signed a written notice of special tax lien.

PUBLIC INFORMATION

Property owners and other interested persons can obtain information regarding special tax levies and other information by contacting the City or SCI Consulting Group at telephone number (707) 430-4300 or (800) 273-5167. SCI Consulting Group telephone number is also included with property tax bills.

ASSESSOR AND AUDITOR FILING AND REPORTING

Special tax levies for the upcoming fiscal year must be filed with the Orange County Auditor on August 10.

DELINQUENCIES

The City participates in the "Teeter Plan" with the County of Orange whereby the County pays all delinquent special taxes to the City and in return the County institutes collection proceedings and, when collected, keeps all delinquent payments with interest and penalties. This plan allows the City to maintain reliable special tax revenues and reduces the cost of collection.

PREPAYMENT OF SPECIAL TAX

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and, if necessary, meet with the property owner, consider the written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

EXHIBIT A – SPECIAL TAX ROLL, FISCAL YEAR 2018-19

Reference is hereby made to the tax roll listing for the fiscal year 2018-19 Special Tax for all Assessors' Parcels of land within the boundaries of the City of Placentia Community Facilities District No. 2014-01. The tax attributed to each parcel was computed in accordance with the approved special tax methodology as summarized in Exhibit B.

<u>Parcel Number</u>	<u>Tax Amount</u>	<u>Parcel Number</u>	<u>Tax Amount</u>	<u>Parcel Number</u>	<u>Tax Amount</u>
340-035-01	\$ 273.49	340-035-38	\$ 273.49	340-035-75	\$ 273.49
340-035-02	\$ 273.49	340-035-39	\$ 273.49	340-035-76	\$ 273.49
340-035-03	\$ 273.49	340-035-40	\$ 273.49	340-035-77	\$ 273.49
340-035-04	\$ 273.49	340-035-41	\$ 273.49	340-035-78	\$ 273.49
340-035-05	\$ 273.49	340-035-42	\$ 273.49	932-54-201	\$ 273.49
340-035-06	\$ 273.49	340-035-43	\$ 273.49	932-54-202	\$ 273.49
340-035-07	\$ 273.49	340-035-44	\$ 273.49	932-54-203	\$ 273.49
340-035-08	\$ 273.49	340-035-45	\$ 273.49	932-54-204	\$ 273.49
340-035-09	\$ 273.49	340-035-46	\$ 273.49	932-54-205	\$ 273.49
340-035-10	\$ 273.49	340-035-47	\$ 273.49	932-54-206	\$ 273.49
340-035-11	\$ 273.49	340-035-48	\$ 273.49	932-54-207	\$ 273.49
340-035-12	\$ 273.49	340-035-49	\$ 273.49	932-54-208	\$ 273.49
340-035-13	\$ 273.49	340-035-50	\$ 273.49	932-54-209	\$ 273.49
340-035-14	\$ 273.49	340-035-51	\$ 273.49	932-54-210	\$ 273.49
340-035-15	\$ 273.49	340-035-52	\$ 273.49	932-54-211	\$ 273.49
340-035-16	\$ 273.49	340-035-53	\$ 273.49	932-54-212	\$ 273.49
340-035-17	\$ 273.49	340-035-54	\$ 273.49	932-54-213	\$ 273.49
340-035-18	\$ 273.49	340-035-55	\$ 273.49	932-54-214	\$ 273.49
340-035-19	\$ 273.49	340-035-56	\$ 273.49	932-54-215	\$ 273.49
340-035-20	\$ 273.49	340-035-57	\$ 273.49	932-54-216	\$ 273.49
340-035-21	\$ 273.49	340-035-58	\$ 273.49	932-54-217	\$ 273.49
340-035-22	\$ 273.49	340-035-59	\$ 273.49	932-54-218	\$ 273.49
340-035-23	\$ 273.49	340-035-60	\$ 273.49	932-54-219	\$ 273.49
340-035-24	\$ 273.49	340-035-61	\$ 273.49	932-54-220	\$ 273.49
340-035-25	\$ 273.49	340-035-62	\$ 273.49	932-54-221	\$ 273.49
340-035-26	\$ 273.49	340-035-63	\$ 273.49	932-54-222	\$ 273.49
340-035-27	\$ 273.49	340-035-64	\$ 273.49	932-54-223	\$ 273.49
340-035-28	\$ 273.49	340-035-65	\$ 273.49	932-54-224	\$ 273.49
340-035-29	\$ 273.49	340-035-66	\$ 273.49	932-54-225	\$ 273.49
340-035-30	\$ 273.49	340-035-67	\$ 273.49	932-54-226	\$ 273.49
340-035-31	\$ 273.49	340-035-68	\$ 273.49	932-54-227	\$ 273.49
340-035-32	\$ 273.49	340-035-69	\$ 273.49	932-54-228	\$ 273.49
340-035-33	\$ 273.49	340-035-70	\$ 273.49	932-54-229	\$ 273.49
340-035-34	\$ 273.49	340-035-71	\$ 273.49	932-54-230	\$ 273.49
340-035-35	\$ 273.49	340-035-72	\$ 273.49	932-54-231	\$ 273.49
340-035-36	\$ 273.49	340-035-73	\$ 273.49	932-54-232	\$ 273.49
340-035-37	\$ 273.49	340-035-74	\$ 273.49	932-54-233	\$ 273.49

EXHIBIT B – RATE AND METHOD OF APPORTIONMENT

The Rate and Method of Apportionment adopted in 2014 is included on the following pages.

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF PLACENTIA COMMUNITY FACILITIES DISTRICT NO. 2014-01 (PUBLIC SERVICES)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Placentia Community Facilities District No. 2014-01 (Public Services), ("CFD No. 2014-01"), other than Assessor's Parcels classified as Exempt Property as defined herein, and collected each Fiscal Year commencing in Fiscal Year 2014-2015, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 2014-01, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2014-01, unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel, expressed in acres, as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

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

"Administrative Expenses" means the following actual or reasonably estimated expenses related to the administration of CFD No. 2014-01: the costs of determining the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the payment of a proportional share of salaries and benefits of any City employee and City overhead whose duties are directly related to the administration of CFD No. 2014-01, fees and expenses for counsel, audits, costs associated with responding to public inquiries regarding CFD No. 2014-01, and any and all other costs incurred in connection with the administration of CFD No. 2014-01.

"Annual Escalation Factor" means the greater of five percent (5%) or the annual percentage increase, if any, of the All Urban Consumers Consumer Price Index ("CPI"). The annual CPI used shall be for the area of Los Angeles – Riverside – Orange County, CA as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31.

"Assessor's Parcel" means a Condominium lot, Lot, or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Base Year" means Fiscal Year beginning July 1, 2014 and ending June 30, 2015.

“Boundary Map” means the map of the boundaries of CFD No. 2014-01 recorded on January 21, 2014 in the Orange County Recorder’s Office in Book 94, Pages 46, of Maps of Assessments and Community Facilities Districts (instrument number 2014-24969), as the same may be amended by annexation from time to time hereafter.

“Building Permit” means a permit issued for new construction of a residential dwelling. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, grading, utility improvements, or other such improvements not intended for human habitation.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Services and providing for the levy and collection of the Special Taxes for CFD No. 2014-01.

“CFD No. 2014-01” means City of Placentia Community Facilities District No. 2014-01 (Public Services) established by the City Council under the Act.

“City” means the City of Placentia.

“City Council” means the Council of the city of Placentia, acting as the legislative body of CFD No. 2014-01.

“Condominium” means an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential, industrial or commercial building on such real property, such as an apartment, office or store. A condominium may include in addition a separate interest in other portions of such real property. Such estate may, with respect to the duration of its enjoyment, be either:

- (1) An estate of inheritance or perpetual estate;
- (2) An estate for life; or
- (3) An estate for years, such as a leasehold or a sublease hold.

“County” means the County of Orange.

“Developed Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

“Developed Residential Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied and which Building Permit was issued for purposes of constructing one or more Residential Unit(s).

“Exempt Property” means all Assessor’s Parcels within CFD No. 2014-01 that are exempt from the Special Taxes pursuant to law or Section F herein.

“Final Map” means an Assessor’s Parcel Map, a Final Subdivision Map, condominium plan, lot line adjustment, or any other map functionally considered to be an equivalent development map that has been recorded in the Office of the County Recorder.

“Final Subdivision Map” means a subdivision of property creating single family residential buildable Lots by recordation of a final subdivision map or parcel map pursuant to the Subdivision Map Act (California Government Code § 66410, et seq.), or recordation of a condominium plan pursuant to California Civil Code § 1352, that creates individual Lots or condominium lots for which building permits may be issued without further subdivision and is recorded prior to **June 1** preceding the Fiscal Year in which the Special Tax is being levied.

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Future Annexation Area” means the areas designated for potential future annexation to CFD No. 2014-01 as shown in the “Map of Proposed Boundaries of City of Placentia Future Annexation Area of Community Facilities District No. 2014-01 (Public Services)” recorded and on file with the Orange County Recorder’s Office.

“Land Use Type” means any of the land use types listed in Table 1 below.

“Lot” means property within a Final Map identified by a lot number or condominium number for which a Building Permit has been issued or may be issued.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Multi-Family Residential Property” or “MFR Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing a residential structure consisting of five (5) or more residential units that share common walls, including, but not limited to, condominiums, and apartment units.

“Property Owner Association Property” means for each Fiscal Year any property within the boundaries of CFD 2014-01 that was owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association, as of **June 1**.

“Proportionately” means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Type.

“Public Property” means any property that is owned by, dedicated or irrevocably dedicated to a city, the federal government, the State of California, the County, or any other public agency (each, a “Public Entity”); provided, however, that if any such property is leased by such a Public Entity to a private entity and is thereby subject to taxation pursuant to § 53340.1 of the Act, such leasehold estate shall be classified and taxed according to the use thereof.

“Residential Property” means all Assessor’s Parcels of Developed Property within CFD No. 2014-01 for which a Building Permit has been issued for purposes of constructing one or more Residential Unit(s).

“Residential Unit” means any residence in which a person or persons may live, which is not considered to be used for non-residential purposes.

“Services” means those authorized services that may be funded by CFD No. 2014-01 pursuant to the Act, as amended, including, without limitation, those services authorized to be funded by CFD No. 2014-01 as set forth in the documents adopted by the City Council at the time CFD No. 2014-01 was formed.

“Single-Family Residential Property” 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 including residential structures or Condominium structures that consist of 4 or fewer units which share common walls.

“Special Tax” means the special tax authorized to be levied within CFD No. 2014-01 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the CFD Administrator, for any Fiscal Year to: (i) pay the costs of providing the Services during such Fiscal Year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish any operational reserve fund established for Services, (iv) pay incidental expenses related to the Services as authorized pursuant to the Act, (v) fund an amount equal to a reasonable estimate

of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied (“Estimated Special Tax Delinquency Amount”) and (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year necessary to fund the Special Tax Requirement for Services for such Fiscal Year where such shortfall resulted from delinquencies in the payment of Special Taxes in such Fiscal Year that exceeded the Estimated Special Tax Delinquency Amount included in the Special Tax Requirement for Services for such Fiscal Year.

“**Taxable Property**” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or Section F.

“**Undeveloped Property**” means an Assessor’s Parcel of Taxable Property for which a Building Permit has not been issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2014-2015, using the definitions above, each Assessor’s Parcel within CFD 2014-01 shall be classified by the CFD Administrator as Taxable Property or Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the CFD Administrator as Developed Property or Undeveloped Property. Developed Property shall be further classified as Single-Family Residential Property or Multi-Family Residential Property. Commencing with Fiscal Year 2014-2015 and for each subsequent Fiscal Year, Developed Residential Property shall be subject to the levy of Special Taxes pursuant to Section C below.

C. MAXIMUM ANNUAL SPECIAL TAXES

1. Developed Residential Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor’s Parcel of Developed Residential Property shall be subject to the Special Tax. The Maximum Special Tax for Developed Residential Property for Fiscal Year 2014-2015 is shown below in Table 1.

**TABLE 1
DEVELOPED RESIDENTIAL PROPERTY
MAXIMUM SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax
Residential	
SFR Property	\$225 per Residential Unit
MFR Property	\$170 per Residential Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax rate shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

2. Annexed Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor's Parcel of Developed Residential Property that has been annexed into CFD 2014-01 shall be subject to the prevailing Special Tax in effect during the then current Fiscal Year and as determined by Section C.1 above.

3. Undeveloped Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor's Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax

4. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel or Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing in Fiscal Year 2014-2015 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD No. 2014-01 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property within CFD No. 2014-01 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding any provision of this Section D to the contrary, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property that is classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default in the payment of Special Taxes by the owner of any other Assessor's Parcel, excluding therefrom the increased amount levied pursuant to the Annual Escalation Factor.

E. PREPAYMENT OF SPECIAL TAX

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

F. EXEMPTIONS

The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, including but not limited to property designated for open space, trails, pathways, parks or park and recreation related facilities, (iv) property reasonably designated by the City or CFD Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors.

G. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

H. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Special Taxes may be billed and collected at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 2014-01.