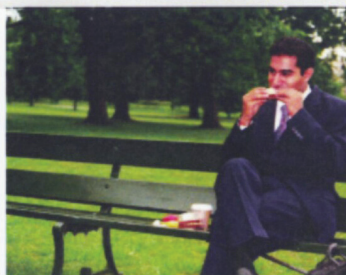
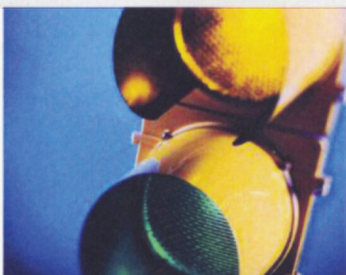




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What is a Mello-Roos District?

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A Mello-Roos District is an area — often newly developing — within a Community Facilities District that has chosen to finance things like streets, water, sewage and drainage, electricity, infrastructure, schools, parks, police protection, and certain public improvements and services through bond sales. Residents in a Mello-Roos District pay a special tax to cover the principal and interest on the bonds.

Are the assessments governed by Proposition 13's tax limits?

No. Proposition 13, passed in 1978, severely restricts local government from financing public capital facilities and services by increasing real property taxes. The Mello-Roos Community Facility Act of 1982 provides local government with an alternative financing tool. The Proposition 13 tax limits are on the value of the real property, while Mello-Roos taxes are equally applied to all properties.

How long does the tax stay in effect?

The tax stays in effect as long as it is needed to pay for necessary services, or until the principal, interest, and tax collection costs on the bonds are paid off, or at 40 years, whichever comes first.

What are my Mello-Roos taxes paying for?

Most likely, for both facilities and services relating to new growth and ongoing community needs, such as police protection, fire protection, ambulance and paramedic services, recreation program services, library services, operating and maintaining parks, parkways and open spaces, museums, cultural facilities, floor and storm protection, and services for the removal of any threatening hazardous substance. Mello-Roos taxes may also be used for property with an estimated useful life of five years or longer, including parks, recreation facilities, parkway facilities, open-space facilities, elementary and secondary school sites and structures, libraries, child care facilities, natural gas pipeline facilities, telephone lines, facilities to transmit and distribute electrical energy, and cable television.



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