



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Barry Ng

**SUBJECT:** SEE BELOW

**DATE:** May 15, 2017

Approved

*D. D. Sy*

Date

5/25/17

**COUNCIL DISTRICT: 2**

**SUBJECT: COMMUNITY FACILITIES DISTRICT NO. 16 (RALEIGH -  
CORONADO) PUBLIC HEARING AND SPECIAL ELECTION**

## RECOMMENDATION

Conduct the Public Hearing, a special election, and take the following actions related to the formation of Community Facilities District No. 16 (Raleigh - Coronado).

(a) Adopt a resolution:

- (1) Establishing Community Facilities District No. 16 (Raleigh - Coronado);
- (2) Authorizing the levy of a special tax;
- (3) Preliminarily establishing an appropriations limit; and
- (4) Submitting the levy of special tax to the qualified electors.

(b) Adopt a resolution:

- (1) Declaring the results of the special election;
- (2) Contingent upon two-thirds qualified voter approval, determining to form Community Facilities District No. 16 (Raleigh - Coronado); and
- (3) Directing the City Clerk to record a notice of special tax lien.

If approved by the qualified voters in Community Facilities District No. 16 (Raleigh - Coronado):

- (c) Approve an ordinance imposing the levy of special taxes for Community Facilities District No. 16 (Raleigh - Coronado).

May 15, 2017

**Subject: Community Facilities District No. 16 (Raleigh - Coronado) Public Hearing and Election**

Page 2

## **OUTCOME**

Approval of the formation of Community Facilities District No. 16 (Raleigh - Coronado) will provide funding for the operation and maintenance of unique improvements needed for the development of this site.

## **BACKGROUND**

On December 2, 2014, Council adopted an ordinance rezoning certain real property on the northerly side of U.S. Highway 85, westerly of Great Oaks Boulevard and easterly of the Cottle Transit Village through Planned Development Rezoning File No. PDC12-028 to allow up to 720 residential units, 154,000 square feet of commercial uses (Costco), and 260,000 square feet of office and/or additional commercial uses on 73.73 gross acres. This development is more commonly known as the Great Oaks Mixed Use project. The public improvements proposed to be maintained by the community facilities district are a new public park; public stormwater and bioretention basins; a storm pump station; and enhanced landscaping in median islands, roundabouts and parkstrips.

On May 2, 2017, Council adopted a resolution of intention to form Community Facilities District No. 16 (Raleigh - Coronado), hereinafter "CFD 16," at the request of the property owners and developer, pursuant to the City of San José Community Facilities District Financing Procedure which references and incorporates Mello-Roos Community Facilities Act of 1982, hereinafter "Law", to authorize the levy of a special tax to fund the operation and maintenance of the enhanced improvements. The resolution of intention contains the Rate and Method of Apportionment which specifies that maximum tax on taxable land within CFD 16. The taxable properties in CFD 16 are structured utilizing seven zones or Improvement Areas ("Improvement Area") each having a unique special tax to allow each area to develop independently while still collecting sufficient funds to pay for services in CFD 16. In summary, the maximum special tax on undeveloped property as well as developed non-residential property is shown on Table 1 below. The maximum special tax per acre differs between each Improvement Area depending on its approved use and anticipated residential density if approved for residential use. The maximum special tax rates on Improvement Areas 3 through 7 are higher than Improvement Areas 1 or 2 because they are approved for residential use and will pay for the maintenance of the public park. When land develops as residential property the special tax levy will transition from taxing on a per acre basis to taxing per residential unit as shown on Table 1. In the case that additional money is needed to provide the authorized services, property owned by any property owner's association in the district may be taxed up to \$1,000 per acre. If approved, the proposed special tax will commence in Fiscal Year 2017-2018 and will be adjusted by the Consumer Price Index annually.

**Table 1**  
**Maximum Special Tax on Undeveloped Property**  
**and Developed Non-Residential Property**

<b>Improvement Area</b>	<b>Taxable Unit</b>	<b>Maximum Special Tax</b>
1	Acre	\$3,979.94
2	Acre	\$3,979.94
3	Acre	\$6,932.87
4	Acre	\$10,547.28
5	Acre	\$5,567.32
6	Acre	\$9,915.95
7	Acre	\$9,915.95

**Table 2**  
**Maximum Special Tax on Residential Property**

<b>Taxable Property</b>	<b>Taxable Unit</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>
Single Family Detached	Dwelling Unit	N/A	\$643.89
Single Family Attached	Dwelling Unit	>2,000 ft <sup>2</sup>	\$548.85
Single Family Attached	Dwelling Unit	1,501 – 2,000 ft <sup>2</sup>	\$453.80
Single Family Attached	Dwelling Unit	≤1,500 ft <sup>2</sup>	\$358.75
Apartment	Dwelling Unit	N/A	\$166.54

**ANALYSIS**

At the June 6, 2017 meeting, Council will open a public hearing to receive and record any public comments. If there is not a majority protest from the qualified electors, in this case the property owners, at the close of the public hearing, Council may adopt a resolution of formation that includes the maximum special tax and authorize the levy of a special tax within CFD 16. As permitted by law, all qualified electors within CFD 16 have submitted waivers to expedite the election process. The unanimous waiver by the qualified electors, along with the concurrence of the City Clerk as the election officer, authorizes the City to hold the election immediately upon the close of the June 6, 2017 public hearing for the formation of CFD 16.

May 15, 2017

Subject: Community Facilities District No. 16 (Raleigh - Coronado) Public Hearing and Election

Page 4

Therefore, following the adoption of the resolution authorizing the tax levy, Council can conduct a special election for the property owners to vote on the special tax, and will direct the City Clerk to tabulate the ballots and report the results. If the election results are two-thirds voter approval, the final actions for Council are the adoption of a resolution declaring the ballot tabulation results and the approval of an ordinance imposing the levy of a special tax on those properties within CFD 16.

The special tax for CFD 16 shall be collected at the same time and the same manner as ordinary ad valorem property taxes, provided that CFD 16 may in any particular case, bill the taxes directly to the property owners instead of through the County tax roll. The Director of Public Works of the City of San José, or another officer as designated by the City Manager, is the City officer responsible for preparing annually a roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the California Government Code. The special tax includes an annual escalator not to exceed the percentage change in the Consumer Price Index.

Per the City's Municipal Regional Permit, new impervious areas that generate stormwater runoff (whether from private or public property), are required to be treated to minimize pollutant discharge into the City's storm drain system. The stormwater runoff from private land will be treated by on-site stormwater treatment facilities. The stormwater runoff from public improvements will be treated by public stormwater and bioretention basins, and a storm pump station. As the public stormwater treatment facility is included with this CFD 16, the formation of CFD 16 would commit the City to an ongoing contribution to CFD 16 to fund the City's share of the stormwater treatment associated with the public streets proposed for this project. The City's contribution would not be in the form of a special tax levy and will be identified during the City's budget process.

Three attachments as listed below provide detail for the district:

Attachment A	Proposed Boundaries Map
Attachment B	Description of Proposed Services
Attachment C	Rate and Method of Apportionment of Special Tax

### **EVALUATION AND FOLLOW-UP**

If the formation is approved by qualified voters, a notice of special tax lien will be filed with the Santa Clara County Recorder's Office, also a series of appropriation actions will be recommended in a supplemental memorandum on June 20, 2017. Future year special taxes will be adjusted by the average annual percentage change in the Consumer Price Index for the San Francisco-Oakland-San José area and placed on the County tax roll for collection.

May 15, 2017

Subject: Community Facilities District No. 16 (Raleigh - Coronado) Public Hearing and Election

Page 5

### **PUBLIC OUTREACH**

These actions were initiated at the request and with support from the Landowners and Developer and were prepared by Public Works. City staff has met with the Developer regularly regarding the district and their development plans. The ballots and Notice of Public Hearing were mailed to the qualified electors on May 8, 2017. The Notice of Public Hearing will be published in the *San José Post Record* by May 30, 2017.

### **COORDINATION**

This memorandum, related documents and resolutions were prepared in coordination with the Departments of Transportation, Parks, Recreation & Neighborhood Services, and Environmental Services, the City Attorney's Office, and City Clerk's Office.

### **COMMISSION RECOMMENDATION/INPUT**

The Planned Development Rezoning File No. PDC12-028 to allow up to 720 residential units, 154,000 square feet of commercial uses, and 260,000 square feet of office and/or commercial uses was presented to the Planning Commission on November 5, 2014, and the Planning Commission voted 7-0-0 to recommend approval to the City Council.

### **FISCAL/POLICY ALIGNMENT**

These actions are in compliance with the Council-approved Budget strategy in that staff costs are funded by the Developer's deposit. If district formation is approved by the qualified voters, the costs of services provided through the district will be funded through annual special taxes on the properties within the district.

### **COST SUMMARY/IMPLICATIONS**

The Developer has deposited funds of \$20,000 to pay formation costs for the district. Any unused funds will be returned to the Developer. If all funds are exhausted prior to the certification of election results, the Developer must provide additional funds to continue the process or the formation process will be discontinued.

A series of appropriation actions will be recommended in a supplemental memorandum on June 20, 2017, contingent upon the district being approved by qualified voters. If approved, special assessment funds in the amount of \$345,132 would be recognized. Non-Personal/Equipment costs in the amount of \$182,761 for a contract to maintain a storm water bioretention cell, basin and pump station, a fence and maintenance access roads, enhanced landscape in parkstrip, riparian and entrance areas within the district, water and associated staff costs in the amount of

HONORABLE MAYOR AND CITY COUNCIL

May 15, 2017

**Subject: Community Facilities District No. 16 (Raleigh - Coronado) Public Hearing and Election**

Page 6

\$36,500 for inspection and contract administration; and overhead costs also need to be appropriated.

**CEQA**

Great Oaks Mixed Use Project EIR (Resolution No 77219), File No. PDC12-028.

/s/

BARRY NG

Director of Public Works

**Attachments:**

Attachment A - Proposed Boundaries Map

Attachment B - Description of Services

Attachment C - Rate and Method of Apportionment of Special Tax

For questions please contact Thomas Borden, Program Manager, Public Works Department, at (408) 535-6831.



## ATTACHMENT B

### CITY OF SAN JOSE COMMUNITY FACILITIES DISTRICT NO. 16 (RALEIGH - CORONADO)

#### DESCRIPTION OF SERVICES

---

The Services proposed to be financed by Community Facilities District No. 16 (Raleigh – Coronado) (the “CFD No. 16”) of the City of San José will provide for the maintenance of various improvements associated and approved with the Great Oaks Mixed Use Project Area. Maintenance of the improvements may include but will not be limited to necessary repairs, replacements, equipment, supplies, water, fuel, power, electricity, supervision and all other items needed for safe and proper maintenance of the items set forth below. This list of items identifies those improvements and amenities which are authorized to be funded by CFD No. 16; however, not all items on this list are guaranteed to be funded by the CFD.

#### **Items Authorized to be Maintained**

- One public park, approximately one and a half acres, located on Via Del Oro and approximately 300 feet north of Raleigh Road
- Storm water detention and bioretention basins at the southeast corner of Via Del Oro and Raleigh Road.
- Landscaping, decomposed granite, benches and trash cans adjacent to the detention and bioretention basins at the southeast corner of Via Del Oro and Raleigh Road.
- Maintenance access roads for the detention and bioretention basins at the southeast corner of Via Del Oro and Raleigh Road.
- Fence around the detention and bioretention basins at the southeast corner of Via Del Oro and Raleigh Road.
- Storm water pump station at the southeast corner of Via Del Oro and Raleigh Road.
- Median island landscaping along Great Oaks Boulevard from the southerly end of Assessor’s Parcel 706-08-026 to a line approximately 1,600 feet south of the southerly end of the Police Substation; and medians in the public streets radial from the rotary at the intersection of Raleigh Road and Coronado Avenue.
- Roundabout landscaping at the intersection of Coronado Avenue and Raleigh Road; and at two Via Del Oro intersections between Coronado Avenue and Raleigh Road
- Stone walls in the roundabout at the intersection of Coronado Avenue and Raleigh Road.
- Nonstandard pavement treatment around the roundabout at the intersection of Coronado Avenue and Raleigh Road.
- Parkstrip landscaping along Coronado Avenue from the southerly end of Assessor’s Parcel 706-08-026 to Raleigh Road; Via Del Oro from

## ATTACHMENT B

Coronado Avenue to Raleigh Road; the northerly side of Raleigh Road from Great Oaks Boulevard to a line approximately 1,060 feet west of Via Del Oro; and the southerly side of Raleigh Road from Great Oaks Boulevard to Charlotte Drive.

- Street trees along Great Oaks Boulevard from the southerly end of Assessor's Parcel 706-08-026 to a line approximately 1,600 feet south of the southerly end of the Police Substation; Coronado Avenue from the southerly end of the City of San José Police Substation to Raleigh Road; Via Del Oro from Coronado Avenue to Raleigh Road; and the northerly side of Raleigh Road from Great Oaks Boulevard to the southerly end of the linear park on Raleigh Road; and the southerly side of Raleigh Road from Great Oaks Boulevard to Via Del Oro.
- Weed, litter and debris removal on the backup landscaped parcel along the north side of Great Oaks Boulevard.
- Graffiti removal on public improvements

## ATTACHMENT C

### CITY OF SAN JOSE COMMUNITY FACILITIES DISTRICT NO. 16 (RALEIGH - CORONADO)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

---

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Community Facilities District No. 16 (Raleigh-Coronado) of the City of San Jose ("CFD No. 16") and collected each Fiscal Year commencing in Fiscal Year 2017-2018 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 16, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Acre" or "Acreage"** means the land area of an Assessor's Parcel 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 map, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 16: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 16, or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 16 for any other administrative purposes of CFD No. 16, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

**"Apartment Property"** means any Parcel of Residential Property for which one or more building permits have been issued for attached residential units, all of which are made available for rental, but not purchase, by the general public.

## ATTACHMENT C

**“Assessor’s Parcel”** or **“Parcel”** means a 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.

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, storm water detention and bioretention basin maintenance, storm water pump station maintenance, and other maintenance services eligible to be funded by CFD No. 16, as defined in the Resolution of Intention.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 16”** means Community Facilities District No. 16 (Raleigh-Coronado) of the City of San Jose.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, the prior calendar year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 16.

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Property Owner Association Property, for which a building permit for new construction has been issued on or before May 1 of the prior Fiscal Year. Notwithstanding the foregoing, (a) if a building permit is revoked, expired or otherwise cancelled and a new building permit is issued for the same property, then the building type as indicated on the new building permit shall thereafter be used for purposes of determining the Land Use Class, and (b) if a building permit is revoked, expired or otherwise cancelled and no new building permit is issued for the same property, then the property will continue to be considered Developed Property and taxed based on the original building permit.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Improvement Area”** means any one of the separate geographic areas within CFD No. 16 designated on the CFD No. 16 Boundary Map as Improvement Area 1, 2, 3, 4, 5, 6, or 7.

## ATTACHMENT C

**“Land Use Class”** means any of the classes within each Improvement Area listed in Tables 1 through 7 in Section C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on each Assessor’s Parcel within the boundaries of CFD No. 16.

**“Non-Residential Property”** means a Parcel of Developed Property within the boundaries of CFD No. 16 for which a building permit(s) was issued for a non-residential use.

**“Public Property”** means property within the boundaries of CFD No. 16 owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, the City, or any other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 16 that is owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association.

**“Proportionately”** means for Developed and Undeveloped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Parcels of Developed and Undeveloped Property. For Property Owner Association Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Parcels of Property Owner Association Property.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 16.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including carports, walkways, garages, overhangs, patios, or similar areas. The determination of Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor’s Parcel.

**“Residential Property”** means any Parcel of Developed Property within the boundaries of CFD No. 16 for which a building permit for new construction has been issued for purposes of constructing one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution declaring the results of the special election for CFD No. 16.

**“Single Family Attached”** means a Single Family Property that shares at least one common wall with an adjacent residential unit of a similar nature.

**“Single Family Detached”** means a Single Family Property with a detached building.

## ATTACHMENT C

**“Single Family Property”** means a Parcel of Residential Property for which a single residential dwelling unit has been assigned its own Assessor’s Parcel number.

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 16 to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 16 to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 16, (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 16 which are not exempt from the Special Tax pursuant to law or Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Property Owner Association Property.

### **B. ASSIGNMENT TO LAND USE CLASSES**

Each Fiscal Year, all Taxable Property within Improvement Areas 1 through 7 shall be classified as Developed Property, Undeveloped Property, Public Property and Property Owner Association Property, and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment determined pursuant to Sections C and D below.

The Special Tax for Residential Property shall be based on the Improvement Area in which the Assessor’s Parcel is located, the number of dwelling units and the Residential Floor Area of the dwelling units located on the Assessor’s Parcel, in accordance with Section C below. The Special Tax for Non-Residential Property shall be based on the Improvement Area in which the Assessor’s Parcel is located and the Acreage of the Assessor’s Parcel, in accordance with Section C below.

### **C. MAXIMUM SPECIAL TAX RATES**

#### **1. Developed and Undeveloped Property**

The Maximum Special Tax for each Land Use Class within each Improvement Area for Fiscal Year 2017-2018 is as shown in Tables 1 through 7.

**ATTACHMENT C**

**TABLE 1**

**Improvement Area No. 1**

<b>Land Use Class</b>	<b>Taxable Property</b>	<b>Taxable Unit</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>
1	Single Family Detached	Dwelling Unit	N/A	\$643.89
2	Single Family Attached	Dwelling Unit	>2,000 ft <sup>2</sup>	\$548.85
3	Single Family Attached	Dwelling Unit	1,501 – 2,000 ft <sup>2</sup>	\$453.80
4	Single Family Attached	Dwelling Unit	≤1,500 ft <sup>2</sup>	\$358.75
5	Apartment	Dwelling Unit	N/A	\$166.54
6	Non-Residential Property	Acre	N/A	\$3,979.94
7	Undeveloped Property	Acre	N/A	\$3,979.94

**TABLE 2**

**Improvement Area No. 2**

<b>Land Use Class</b>	<b>Taxable Property</b>	<b>Taxable Unit</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>
1	Single Family Detached	Dwelling Unit	N/A	\$643.89
2	Single Family Attached	Dwelling Unit	>2,000 ft <sup>2</sup>	\$548.85
3	Single Family Attached	Dwelling Unit	1,501 – 2,000 ft <sup>2</sup>	\$453.80
4	Single Family Attached	Dwelling Unit	≤1,500 ft <sup>2</sup>	\$358.75
5	Apartment	Dwelling Unit	N/A	\$166.54
6	Non-Residential Property	Acre	N/A	\$3,979.94
7	Undeveloped Property	Acre	N/A	\$3,979.94

**ATTACHMENT C**

**TABLE 3**

**Improvement Area No. 3**

<b>Land Use Class</b>	<b>Taxable Property</b>	<b>Taxable Unit</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>
1	Single Family Detached	Dwelling Unit	N/A	\$643.89
2	Single Family Attached	Dwelling Unit	>2,000 ft <sup>2</sup>	\$548.85
3	Single Family Attached	Dwelling Unit	1,501 – 2,000 ft <sup>2</sup>	\$453.80
4	Single Family Attached	Dwelling Unit	≤1,500 ft <sup>2</sup>	\$358.75
5	Apartment	Dwelling Unit	N/A	\$166.54
6	Non-Residential Property	Acre	N/A	\$6,932.87
7	Undeveloped Property	Acre	N/A	\$6,932.87

**TABLE 4**

**Improvement Area No. 4**

<b>Land Use Class</b>	<b>Taxable Property</b>	<b>Taxable Unit</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>
1	Single Family Detached	Dwelling Unit	N/A	\$643.89
2	Single Family Attached	Dwelling Unit	>2,000 ft <sup>2</sup>	\$548.85
3	Single Family Attached	Dwelling Unit	1,501 – 2,000 ft <sup>2</sup>	\$453.80
4	Single Family Attached	Dwelling Unit	≤1,500 ft <sup>2</sup>	\$358.75
5	Apartment	Dwelling Unit	N/A	\$166.54
6	Non-Residential Property	Acre	N/A	\$10,547.28
7	Undeveloped Property	Acre	N/A	\$10,547.28

**ATTACHMENT C**

**TABLE 5**

**Improvement Area No. 5**

<b>Land Use Class</b>	<b>Taxable Property</b>	<b>Taxable Unit</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>
1	Single Family Detached	Dwelling Unit	N/A	\$643.89
2	Single Family Attached	Dwelling Unit	>2,000 ft <sup>2</sup>	\$548.85
3	Single Family Attached	Dwelling Unit	1,501 – 2,000 ft <sup>2</sup>	\$453.80
4	Single Family Attached	Dwelling Unit	≤1,500 ft <sup>2</sup>	\$358.75
5	Apartment	Dwelling Unit	N/A	\$166.54
6	Non-Residential Property	Acre	N/A	\$5,567.32
7	Undeveloped Property	Acre	N/A	\$5,567.32

**TABLE 6**

**Improvement Area No. 6**

<b>Land Use Class</b>	<b>Taxable Property</b>	<b>Taxable Unit</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>
1	Single Family Detached	Dwelling Unit	N/A	\$643.89
2	Single Family Attached	Dwelling Unit	>2,000 ft <sup>2</sup>	\$548.85
3	Single Family Attached	Dwelling Unit	1,501 – 2,000 ft <sup>2</sup>	\$453.80
4	Single Family Attached	Dwelling Unit	≤1,500 ft <sup>2</sup>	\$358.75
5	Apartment	Dwelling Unit	N/A	\$166.54
6	Non-Residential Property	Acre	N/A	\$9,915.95
7	Undeveloped Property	Acre	N/A	\$9,915.95

**ATTACHMENT C**

**TABLE 7**

**Improvement Area No. 7**

<b>Land Use Class</b>	<b>Taxable Property</b>	<b>Taxable Unit</b>	<b>Residential Floor Area</b>	<b>Maximum Special Tax</b>
1	Single Family Detached	Dwelling Unit	N/A	\$643.89
2	Single Family Attached	Dwelling Unit	>2,000 ft <sup>2</sup>	\$548.85
3	Single Family Attached	Dwelling Unit	1,501 – 2,000 ft <sup>2</sup>	\$453.80
4	Single Family Attached	Dwelling Unit	≤1,500 ft <sup>2</sup>	\$358.75
5	Apartment	Dwelling Unit	N/A	\$166.54
6	Non-Residential Property	Acre	N/A	\$9,915.95
7	Undeveloped Property	Acre	N/A	\$9,915.95

**2. Property Owner Association Property**

The Maximum Special Tax for Fiscal Year 2017-2018 for each Parcel of Property Owner Association Property in CFD No. 16 shall be \$1,000.00 per acre.

**3. Increase in the Maximum Special Tax**

On each July 1, commencing on July 1, 2018, the Maximum Special Tax shall be adjusted based on the prior calendar year's average annual percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

**4. Multiple Land Use Classes**

In some instances a Parcel may contain both Undeveloped Property and Developed Property. Furthermore, Developed Property may contain more than one Land Use Class. In such cases, the Acreage of the Parcel shall be allocated between Developed Property and Undeveloped Property based on the portion of the Assessor's Parcel for which building permits had been issued, and the portion of the Parcel for which building permits had not been issued, prior to May 1 of the prior Fiscal Year. The Acreage that is considered Developed Property shall be allocated between Residential Property and Non-Residential Property based on the site plan. The Maximum Special Tax that can be levied on such Parcel shall be the sum of the Maximum Special Tax that can be levied on each type of property located on that Parcel.

## ATTACHMENT C

### **D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2017-2018 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year in each Improvement Area as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed and Undeveloped Property at up to 100% of the Maximum Special Tax for such Parcel.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Parcel of Property Owner Association Property up to 100% of the Maximum Special Tax for Property Owner Association Property.

### **E. EXEMPTIONS / LIMITATIONS**

Notwithstanding any other provision of this Rate and Method of Apportionment, no Special Tax shall be levied on land that is Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Mello-Roos Community Facilities Act of 1982.

### **F. MANNER OF COLLECTION**

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 16 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### **G. TERM OF SPECIAL TAX**

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.