

The Economics of Land Use



Hearing Report

Baseline at Sierra Vista Community Facilities District No. 1 (Public Facilities) (Improvement Area No. 1)

Prepared for:
City of Roseville

Prepared by:
Economic & Planning Systems, Inc. (EPS)

*Economic & Planning Systems, Inc.
400 Capitol Mall, 28th Floor
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

EPS #202008

October 2020

Table of Contents

1.	Introduction.....	1
	Background.....	1
	Purpose of the CFD	1
	Organization of the Report	3
2.	Land Uses.....	5
3.	Authorized Facilities and Estimated Facility Costs	7
	Authorized Facilities of the CFD.....	7
	Authorized Services.....	10
	Authorized Facilities Estimated Costs	11
4.	CFD Bond Authorization and Maximum Annual Special Tax	13
	CFD Bond Authorization and Funding Strategy	13
	Maximum Annual Special Tax	14
	Overall Tax Burden for Single-Family Residential	15
5.	Structure of the CFD	21
	Description of the CFD	21
	The CFD Funding Program.....	21
	Transition Event for Special Taxes.....	21
	Determining the Maximum Annual Special Tax.....	22
	Base Year	22
	Annual Tax Escalation Factor	22
	Duration of the Special Tax	22
	Definition of Initial Bonding Period	22
	Definition of Annual Facilities Costs	23
	Transition Event and Maintenance Special Taxes	25
	Definition of Annual Maintenance Costs.....	26
	Assignment of Maximum Annual Special Tax	26
	Affordable Units	28
	Transfer of the Assigned Maximum Annual Facilities Special Tax	28
	Conversion of a Tax-Exempt Parcel to a Taxable Parcel.....	28
	Taxable Parcels Acquired by a Public Agency	28
	Determination of Parcels Subject to Special Tax.....	29

Setting the Facilities Special Tax Levy for Taxable Parcels	29
Setting the Maintenance Special Tax Levy for Taxable Parcels	30
Prepayment of the Special Tax Obligation	31
Interpretation, Application, and Appeal of Special Tax Formula and Procedures.....	31
Manner of Collection	32

Exhibits:

- Exhibit A: Facilities Rate, Method of Apportionment, and Manner of Collection of Special Tax
- Exhibit B: List of Authorized Facilities

List of Map and Tables

Map 1	Baseline at Sierra Vista CFD No. 1	2
Table 1	CFD Land Uses	6
Table 2	Estimated Backbone Infrastructure Costs	12
Table 3	Maximum Annual Facilities Special Taxes by Tax Category for the Base Year of FY 2020-21	16
Table 4	Assigned Maximum Annual Facilities Special Tax for Original Parcels	17
Table 5	Maximum Annual Maintenance Special Taxes by Tax Category for the Base Year of FY 2020-21.....	18
Table 6	Overall Tax Burden for Single-Family Residential Parcels.....	19

1. Introduction

Background

The City of Roseville (City) retained Economic & Planning Systems, Inc. (EPS) to support its efforts to create a Mello-Roos Community Facilities District (CFD) for the Baseline at Sierra Vista (Baseline) development, located in the Sierra Vista Specific Plan (SVSP) area, north of Baseline Road and west of Fiddymont Road. The objective of establishing a CFD is to create a land-secured funding mechanism to help fund construction of authorized facilities of the CFD that then would transition, after a specified period of time, to help fund authorized services. With consideration to the anticipated phasing of development, the CFD boundary initially is proposed to include a subset of the Baseline area reflecting the anticipated first phase of development, to be designated as Improvement Area No. 1 (IA1). The remainder of the Baseline area has been designated as a future annexation area with the ability to annex into the CFD as subsequent phases of development proceed.

Overall, the Baseline area includes more than 150 acres of developable property approved for approximately 218 dwelling units (approximately 115 LDR units, 103 MDR units, 0 HDR units and approximately 81 acres of community commercial uses. Baseline land uses within the initial CFD boundary (IA1) include approximately 115 low-density residential (LDR) units and 103 medium-density residential (MDR) units over roughly 39 acres. Following the initial phase, the remainder of the Baseline area that could annex into the CFD, includes approximately 81 acres of community commercial uses.

Purpose of the CFD

The CFD is being formed to fund major road improvements, potable and non-potable water system improvements, drainage system improvements, wastewater system improvements, solid waste improvements, park and paseo improvements, open space improvements, utilities, and other authorized facilities under the Mello-Roos Act, serving Baseline as a condition of the City's approval of the development.

Through the transition of the facilities special tax to the maintenance special tax, the CFD may also fund long term repair and replacement of authorized facilities once CFD bonds have been defeased and other obligations of the CFD for authorized facilities have been fulfilled. Once these facilities special tax obligations have been fulfilled, the City has the discretion to levy the maintenance special tax to help fund long term repair and replacement of such facilities.

Authorized to issue up to \$95 million in bonds, the first series of bonds may be issued within the 2021-22 fiscal year. **Map 1** shows the proposed boundaries of the CFD.

PROPOSED BOUNDARY MAP
 CITY OF ROSEVILLE
 BASELINE AT SIERRA VISTA
 COMMUNITIES FACILITIES DISTRICT NO. 1
 (PUBLIC FACILITIES)

CITY OF ROSEVILLE • PLACER COUNTY • CALIFORNIA
 BEING A PORTION OF SECTION 36, T.11 N., R.5 E., M.D.M.

CITY CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA THIS ____ DAY OF ____ 2020.

SONIA OROZCO, CITY CLERK
 CITY OF ROSEVILLE
 PLACER COUNTY, CALIFORNIA

CITY CLERK'S MAP STATEMENT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF BASELINE AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF ____ 2020 BY IT'S RESOLUTION NO. _____

SONIA OROZCO, CITY CLERK
 CITY OF ROSEVILLE
 PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT

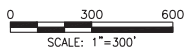
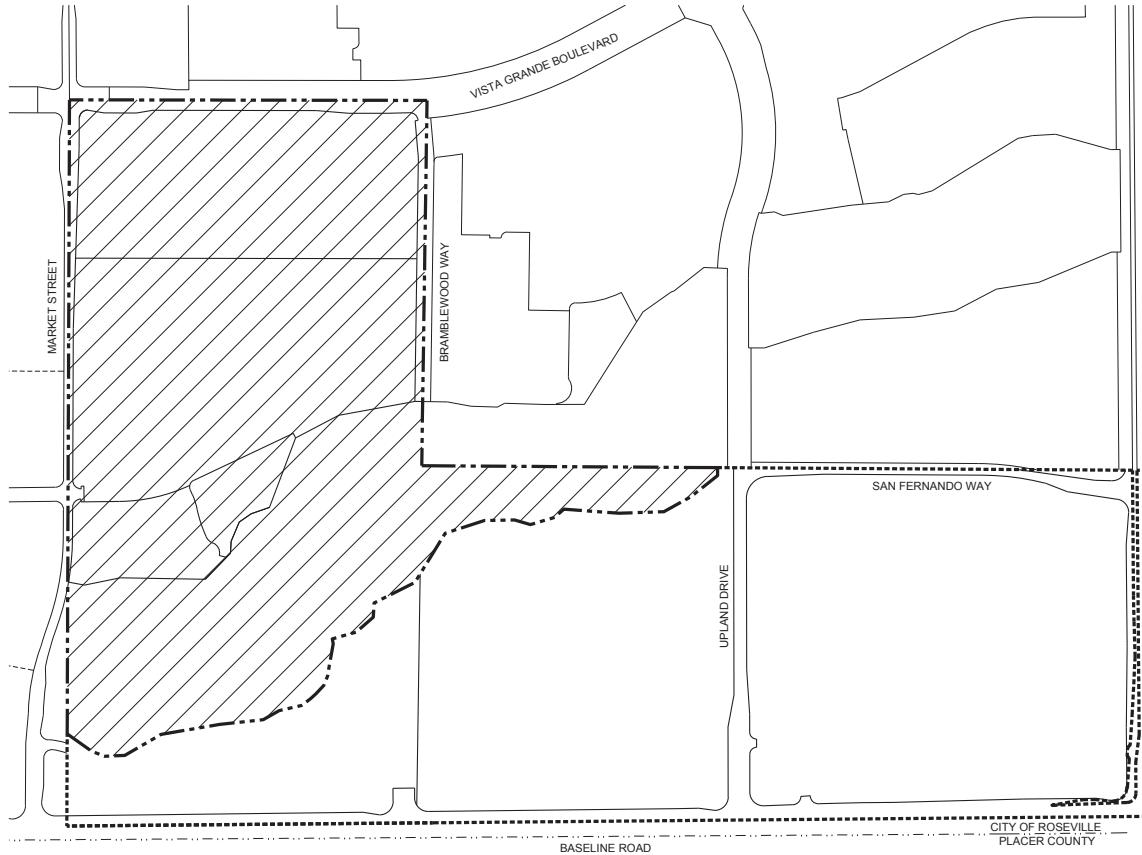
FILED THIS ____ DAY OF ____, 2020, AT THE HOUR OF __ O'CLOCK __ M, IN BOOK ____ OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOCUMENT NO. _____



FEE: _____

BY: _____

RYAN RONCO
 COUNTY RECORDER
 COUNTY OF PLACER



LEGEND

-  PROPOSED CFD BOUNDARY
-  AREAS OF FUTURE ANNEXATION

Mackay & Somps
 ENGINEERS PLANNERS SURVEYORS
1025 Creekside Ridge Drive, Suite 150, Roseville, CA 95678 (916) 773-1188

AUGUST 2020

SHEET 1 OF 1 18476.DF20

Organization of the Report

This report consists of these 5 chapters and 2 exhibits:

- **Chapter 1** includes this introduction.
- **Chapter 2** describes the proposed land uses in the CFD.
- **Chapter 3** describes authorized facilities to be funded in the CFD, the costs, and the cost allocations.
- **Chapter 4** describes the maximum CFD bond authorization and the maximum annual special tax.
- **Chapter 5** describes the structure of the CFD.
- **Exhibit A** provides the Facilities Rate, Method of Apportionment, and Manner of Collection of Special Tax (RMA).
- **Exhibit B** provides the List of Authorized Facilities and Services.

THIS PAGE INTENTIONALLY LEFT BLANK

2. Land Uses

The City intends to form the Baseline CFD No. 1 over a portion of the development in the south portion of the SVSP. Overall, the Baseline area includes more than 150 acres of property approved for approximately 218 dwelling units (approximately 115 LDR units, 103 MDR units, 0 HDR units and approximately 81 acres of community commercial uses. The entire Baseline property is anticipated to be developed in two phases, with development activity anticipated to commence in the area in the spring of 2021.

Expected land uses within the initial CFD boundary include approximately 115 LDR units and 103 MDR units over roughly 39 acres. **Table 1** shows all original CFD parcels and land uses. Following the initial phase of development, the remainder of Baseline area that could annex into the CFD is approximately 81 acres of community commercial uses.

The objective of establishing a CFD is to create a land-secured funding mechanism to be used to fund construction of authorized facilities of the CFD. With consideration to the anticipated phasing of development, the CFD boundary initially is proposed to include a subset of the Baseline area reflecting the anticipated first phase of development. The remainder of the Baseline area has been designated as a future annexation area with the ability to annex into the CFD as subsequent phases of development proceed.

Table 1
Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)
CFD Parcels and Land Uses

Large Lot No.	APN	Land Use	Acres	Units	Density
Improvement Area No. 1					
DF-1	Por. 498-010-017	LDR	19.90	100	5.03
DF-2	Por. 498-010-017	LDR	3.16	15	4.75
DF-20	Por. 498-010-017	MDR	15.46	103	6.66
DF-50	Por. 498-010-017	Park	2.08	0	n/a
IA 1 Totals			40.60	218	
Future Annexation Area					
DF-40	498-010-015	CC	12.60	0	n/a
DF-41	498-010-019	CC	29.20	0	n/a
DF-42	498-010-020	CC	38.80	0	n/a
DF-80	498-010-018	OS	4.60	0	n/a
DF-81	498-010-016	OS	21.30	0	n/a
	498-010-052		3.50	0	n/a
	498-010-021				
Future Annexation Area Totals			110.00	0	
CFD Totals			150.60	218	

"CFD_parcel"

Source: DPGF and EPS.

3. Authorized Facilities and Estimated Facility Costs

This chapter describes the authorized facilities eligible to be financed or otherwise funded through the CFD with the proceeds of CFD bonds and pay-as-you-go basis from special taxes levied under the CFD.

Authorized Facilities of the CFD

The CFD is authorized to fund certain facilities required to serve the Baseline. Authorized facilities are identified in the List of Authorized Facilities (**Exhibit B** of this report). Authorized facilities are briefly discussed below.

Transportation Improvements

Public roadway improvements are designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18:

- Baseline Road.
- Fiddymont Road.
- Vista Grande Boulevard.
- Upland Drive.
- San Fernando Drive.
- Sierra Village Drive.
- Market Street.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to, Specific Plan Parcels FD-63 or JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).
- Recycled Water Storage Tank Facility.
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for RW tank(s) required by DA Section 3.9.

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways.

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the Sierra Vista Specific Plan (SVSP) Solid Waste Recycling Center (DA Section 3.14.7).

Park, Landscape Corridor and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites planned on Specific Plan Parcel DF-50.
- Construction of Paseos.

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on- and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements related to Specific Plan Parcels DF-70, DF-71, DF-72, DF-80, and DF-81.
- Wetland creation mitigation, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including but not limited to:

- SVSP Electric Substation site acquisition, and improvements required by DA Section 3.11.3.
- Temporary overhead 12kV lines to loop SVSP substation to line in WRSP Phases 3 and 4.

Other Public Facilities

Authorized facilities include any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including, but not limited to:

- Fire station reimbursement obligations in DA Section 3.23.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities, wetland/Species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; Sierra Vista Specific Plan planning, legal, engineering, technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

Authorized Services

The authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a

reserve fund to pay for a replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD.

Authorized Facilities Estimated Costs

The City is administering the SVSP Fee Program that includes approximately \$150 million in backbone infrastructure and other public improvements. With Baseline CFD No. 1, the developer intends to fund as much of the project's proportional obligation to the SVSP Fee Program infrastructure as possible. To that end, the developer is about to begin construction of backbone infrastructure with costs estimated to be approximately \$30.4 million as illustrated in **Table 2**. Costs are shown in 2020 dollars.

In the future, properties included within the CFD annexation area may annex into this CFD. If those annexations occur, the developer will seek to fund additional backbone infrastructure through the issuance of one or more series of CFD bond sales. As is often the case, during buildout of the project, the developer anticipates being required to construct more backbone infrastructure than would be able to be entirely reimbursed through CFD bond proceeds.

Development Impact Fee Deferrals

In addition to backbone infrastructure, the CFD is authorized to fund deferred impact fees. Through the DA, the developer is entitled to defer certain impact fees identified in the DA. These are the fees eligible for deferral:

- SPARTA Tier II Traffic Fees
- City Citywide Park Fee
- City Public Facilities Fee
- City Public Benefit Fee

As described in more detail later in this report, repayment of impact fee deferrals will follow reimbursement for eligible backbone infrastructure.

Table 2
Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)
Authorized Facilities Costs (2020 \$s)

Item	Cost (2020 \$s)
Backbone Infrastructure	
Market Street	\$5,468,000
Baseline Road	\$8,922,000
Fiddymment Road	\$1,299,000
Upland Drive	\$2,882,000
San Fernando Drive	\$1,379,000
Vista Grande Boulevard	\$911,000
Offsite Sewer	\$311,000
Offsite Storm Drain	\$938,000
Backbone Infrastructure Subtotal	\$22,110,000
Internal Subdivision Infrastructure (\$15K per lot)	\$3,270,000
Sierra Vista Infrastructure Fee (Residential Lots)	\$3,629,000
SPRTA Tier II Fee Deferral (Residential Lots)	\$1,432,000
Totals	\$30,441,000

"costs"

Source: MacKay & Soms and DPF, Inc.

4. CFD Bond Authorization and Maximum Annual Special Tax

This chapter will discuss the maximum CFD bond authorization and maximum annual special taxes as proposed by the developer for each taxable land use type. The CFD will have special taxes for the funding of authorized facilities. This annual facilities special tax will be transitioned to an annual maintenance special tax to fund authorized services of the CFD when authorized facilities obligations of the CFD have been fulfilled. These special tax programs will be discussed further in **Section 5** of this report.

CFD Bond Authorization and Funding Strategy

The DA authorized the use of the CFD to fund authorized facilities of the CFD and outlined a basic structure for the CFD.

The DA identified the following sources of potential funding for authorized facilities of the CFD:

- CFD Bonds
- CFD Pay-As-You-Go
- Owner Equity/Private Financing

Each funding source will be discussed below.

Maximum CFD Bond Authorization and Series A Bond Sale

The CFD is authorized to issue up to \$95 million in bonds. The property owner is anticipated to ask the City to sell the first series of bonds within the 2020-21 fiscal year. Depending on market conditions and the structure of the first series of CFD bonds, subsequent series of CFD bonds may be issued in multiple sales following the first CFD bond sale.

CFD Pay-As-You-Go

Special taxes levied and not needed to fund CFD bond debt service or City administration of the CFD may be used for pay-as-you-go expenditures for authorized CFD facilities not reimbursed with CFD bond proceeds. As memorialized in the DA, the City has agreed to provide pay-as-you-go funding to the developer for the first 30 years of the CFD.

Following developer use of CFD pay-as-you-go revenues, the City reserves the right to continue the special tax levy to pay the development impact fee deferral on a pay-as-you-go basis. The City also has discretion to reimburse itself for deferred fees through a CFD bond sale in addition to pay-as-you-go revenues.

Owner Equity/Private Financing

To the extent there are any shortfalls in the funding sources for authorized facilities, owner equity or private financing will be used to fund construction of such facilities.

Maximum Annual Special Tax

A facilities special tax will be assigned to taxable parcels at formation of the CFD. This facilities special tax will initially be used to fund the costs of authorized facilities (as defined in the previous chapter). Once all facilities special tax obligations to fund facilities have been completed, the maintenance special tax will be assigned to taxable parcels for the City's use for long term repair and replacement of authorized facilities. The Baseline CFD No. 1 RMA includes the following two special taxes:

- Facilities Special Tax
- Maintenance Special Tax

The facilities special tax will be assigned and collected prior to the "transition event" for the special tax programs. Following the "transition event" the facilities special tax will no longer be assigned to taxable parcels, and will be replaced by the maintenance special tax. The "transition event" is discussed in detail in the following chapter.

Each special tax program is discussed below.

Facilities Special Tax

The developer provided the City with recommended maximum annual special taxes for various land use categories, based on market conditions and the range of maximum annual special tax rates in neighboring City areas. **Table 3**, which is **Attachment 2** from the RMA, shows the maximum annual special tax rates for the following tax categories:

- LDR
- MDR
- Medium-density affordable—middle
- High-density affordable—low
- High-density affordable—very low
- Nonresidential

Table 3 shows the maximum annual special tax per tax category in the base year of Fiscal Year (FY) 2020-21. The maximum annual special tax for LDR is \$1,873. The maximum annual special tax for MDR units is \$1,665. The maximum annual special tax for affordable units is \$0.

Nonresidential uses (including community commercial (CC)) are assigned a maximum annual special tax of \$6,686 per acre. The maximum annual special tax for HDR uses—whether for sale or for rent—has been established at \$0, and nonresidential uses are also assigned a maximum annual special tax of \$0 at CFD formation. Finally, **Table 4**, which is **Attachment 3** from the RMA, shows the maximum annual special tax for each original CFD parcel in the base year.

Maintenance Special Tax

The maximum maintenance special tax is shown in **Table 5** for all tax categories. The maintenance special tax is set at 50-percent of the maximum facilities special tax in the base year. The maintenance special tax will not be levied at the same time as the facilities special tax and would only be assigned to taxable parcels following the “transition event.”

Overall Tax Burden for Single-Family Residential

The DA and City policies stipulate that the overall tax burden after formation of a CFD not exceed 2 percent of the estimated sales price of a single-family residential home. Estimated sales prices of residential homes were provided by the developer. **Table 6** shows the estimated total effective tax rate for prototypical uses in the CFD. The test includes all current ad valorem property taxes, the CFD special tax, an estimated services CFD special tax, and the City CFD No. 3. Two different residential products are shown in **Table 5**:

- LDR
- MDR

Ad valorem property tax rates were derived from copies of the FY 2020-21 property tax bills. The overall tax burden for single-family residential homes proposed for the CFD ranges from 1.82 percent to 1.85 percent. The Center Unified School District has outstanding General Obligation (GO) Bonds with a combined ad valorem tax rate of 0.3284 percent, causing the overall tax burden to exceed the 1.8 percent overall tax burden targeted by the Developer.

Table 3
Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2020-21 (Improvement Area No. 1) [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<i>per Unit</i>	<i>per Unit</i>
Low Density Residential (LDR)	\$1,873.00	\$0.00
Medium Density Residential (MDR)	\$1,665.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Very Low Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<i>per Taxable Acre</i>	<i>per Taxable Acre</i>
Mixed Use (MU) [2]	\$6,686.00	\$0.00
Business Professional (BP) [2]	\$6,686.00	\$0.00
Community Commercial (CC) [2]	\$6,686.00	\$0.00
Undeveloped Property	\$9,530.00	\$0.00

att2

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Table 4
Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)
Assigned Maximum Annual Facilities Special Taxes for Original Parcels for the Base Year of FY 2020-21 (Improvement Area No. 1)

Large Lot Number [1]	Original Parcel(s)	Tax Category	Expected Land Uses		Planned Units per Acre	Assigned Maximum Annual Facilities Special Tax per Unit	Assigned Maximum Annual Facilities Special Tax per Taxable Acre	Assigned Maximum Facilities Special Tax per Large Lot No.
			Acres	Planned Units				
Improvement Area No. 1						[2] [3]	[2] [3]	[2] [3]
DF-1	Por. 498-010-017	LDR	19.90	100	5.03	\$1,873	\$0	\$187,300
DF-2	Por. 498-010-017	LDR	3.16	15	4.75	\$1,873	\$0	\$28,095
DF-20	Por. 498-010-017	MDR	15.46	103	6.66	\$1,665	\$0	\$171,495
DF-50	Por. 498-010-017	Park	2.08	0	0.00	\$0	\$0	\$0
Totals			40.60	218				\$386,890

17

att3

[1] Indicates village identifier assigned by City in the Sierra Vista Specific Plan.

[2] This amount may be increased by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[3] If amended to include Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Table 5
Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2020-21 (Improvement Area No. 1) [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event [1]
Residential Uses	<i>per Unit</i>	<i>per Unit</i>
Low Density Residential (LDR)	\$0.00	\$936.50
Medium Density Residential (MDR)	\$0.00	\$832.50
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Very Low Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<i>per Taxable Acre</i>	
Mixed Use (MU) [2]	\$0.00	\$3,343.00
Business Professional (BP) [2]	\$0.00	\$3,343.00
Community Commercial (CC) [2]	\$0.00	\$3,343.00
Undeveloped Property	\$0.00	\$0.00

att4

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Table 6
Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)
Overall Tax Burden

Item	Assumption	Residential	
		LDR	MDR
Estimated Home Price [1]		\$580,000	\$475,000
Homeowner's Exemption		(\$7,000)	(\$7,000)
Estimated Assessed Value		\$573,000	\$468,000
Ad Valorem Property Taxes (TRA 005-070) [2]	<i>FY 2020/21</i>		
General Ad Valorem	1.00000%	\$5,730	\$4,680
Sierra College SFID #4 GO Bond 2018 Series A	0.01497%	\$86	\$70
Center USD GO Bond	0.27200%	\$1,559	\$1,273
Centr USD 2008 Series 2020A GO Bonds	0.05640%	\$323	\$264
Subtotal Ad Valorem Property Taxes	1.34337%	\$7,698	\$6,287
Direct Charges and Assessments			
City of Roseville CFD No. 1 (Public Facilities)		\$1,873	\$1,665
City of Roseville CFD No. 2 (Public Services) PLACEHOLDER [3]		\$503	\$346
City of Roseville CFD No. 3 (Municipal Services) [4]		\$470	\$470
Placer Mosquito & Vector Control		\$31	\$31
Subtotal Direct Charges and Assessments		\$2,877	\$2,512
Total Ad Valorem Property Taxes and Direct Charges		\$10,574	\$8,799
Overall Tax Burden		1.82%	1.85%

Source: County of Placer; City of Roseville; EPS.

[1] Weighted average of homes prices provided by DPFPG.

[2] Ad Valorem tax rates based on FY 2020-21.

[3] PLACEHOLDER - Based on Tax Zone C rates per single family unit for CFD No. 2 special taxes in the City.

[4] Based on CFD No. 3 as identified in the project Development Agreement escalated to FY 2020-21.

THIS PAGE INTENTIONALLY LEFT BLANK

5. Structure of the CFD

Description of the CFD

The CFD is being formed to fund backbone infrastructure and other facilities, both local and regional, that will serve the Baseline. The attached exhibits are documents contained in the ROF. **Exhibit A** is the CFD RMA. **Exhibit B** is the List of Authorized Facilities and Services. Through the transition of the facilities special tax to the maintenance special tax, the CFD may also fund long term repair and replacement of authorized facilities once CFD bonds have been defeased and other obligations of the CFD for authorized facilities have been fulfilled. Once these facilities special tax obligations have been fulfilled, the City has the discretion to levy the maintenance special tax to help fund long term repair and replacement of such facilities.

The CFD Funding Program

The CFD will be authorized to levy and collect the special tax to pay all annual costs of the CFD, including funding for authorized facilities not funded through CFD bond proceeds, which is anticipated to be paid on a pay-as-you-go basis, during the first 30 years of the special tax levy.

The CFD will be authorized to levy and collect the special tax to pay all annual maintenance costs of the CFD following transition event.

Transition Event for Special Taxes

The special taxes for the CFD are intended to first fund authorized facilities of the CFD and then to fund authorized services of the CFD. As described below, the facilities special tax shall be effective during an initial bonding period and thereafter during a deferral bonding period. The idea is that the facilities special tax may be levied to fund authorized facilities and to repay the City for deferred impact fees. The full estimated term of the deferred bonding period may not be required if deferred development impact fees are funded through special tax revenues on a pay-as-you go basis.

Once all obligations to fund authorized facilities have been satisfied, the facilities special tax will “transition” to a maintenance special tax to fund long term repair and replacement costs for authorized facilities. The “Transition Event” from the levy of the annual facilities special tax to the maintenance special tax is discussed in further detail below.

Determining the Maximum Annual Special Tax

As stated in the previous chapter, the maximum annual special tax rates for the various tax categories were provided by the developer and based, in part, on maximum annual special tax rates for other neighboring City areas. The maximum annual special tax rates are designed to be competitive with other residential development projects in south Placer County. **Table 3** shows the maximum annual special tax rates by tax category for the facilities special tax. **Table 5** shows the maximum annual special tax rates by tax category for the maintenance special tax.

Base Year

The base year is FY 2020-21. A base year is defined in the RMA as a means of defining the special tax base in a given fiscal year that is allowed to increase by a given factor over a period of time.

Annual Tax Escalation Factor

The administrator shall increase the maximum annual facilities special tax, the maximum annual maintenance special tax, and the related maximum annual special tax rates by the tax escalation factor in all fiscal years following the base year, up to the Transition Event. After Transition Event, the maximum annual maintenance special tax may be increased up to 2-percent annually at the City's discretion.

Duration of the Special Tax

The facilities special tax will be levied and collected until the earlier of (i) the transition year or (ii) Fiscal Year 2085-86. The maintenance special tax may be levied and collected in perpetuity beginning with the transition year and in each year thereafter at the discretion of the City. The maintenance special tax will be levied and collected beginning in the transition year.

Definition of Initial Bonding Period

Because the CFD includes payment of deferred development impact fees, the CFD RMA distinguishes between the initial bonding period during which authorized facilities may be financed and the subsequent period where development impact fees may be reimbursed. As defined in the RMA, Initial Bond Period means "the period in which Bonds are outstanding which financed Authorized Facilities costs other than the Development Impact Fee Deferral or Bonds that were issued for the purpose of refunding Bonds whose original use links back to Authorized Facilities."

Definition of Annual Facilities Costs

The maximum annual facilities special tax established under the RMA is the maximum exposure to an annual facilities special tax levy for a given parcel of land. The actual amount of the levy is derived through determining the “annual facilities costs” of the CFD. The RMA identifies the annual facilities costs components as these:

- a. Debt service to be paid from facilities special taxes.
- b. The amount needed to replenish the reserve fund for the bonds to the level required under the bond indenture, to the extent not included in a computation of annual facilities costs in a previous fiscal year.
- c. Administrative expenses for such fiscal year.
- d. The amount needed (1) to cure any delinquencies in the payment of principal or interest on bonds, which have occurred in the prior fiscal year and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on bonds, which are expected to occur in such fiscal year to the extent not included in a previous computation of annual costs in the current or any previous fiscal years.
- e. The amount needed (1) to cure any delinquencies in the payment of the facilities special tax in the prior fiscal year, to the extent not otherwise included in a computation of annual facilities costs in the current or any previous fiscal year and (2) to fund any foreseeable deficiency in the payment of the facilities special tax for that fiscal year, which is expected to occur in such fiscal year, to the extent not included in a computation of annual facilities costs in the current or any previous fiscal year.
- f. Authorized facilities funded on a pay-as-you-go basis.
- g. During the deferral bonding period, the amount needed to pay development impact fee deferrals not financed by bonds.
- h. *Less* any available earnings on the reserve fund, special tax funds, or any other available revenues of the CFD or the City that may be used to fund annual facilities costs.

Debt Service

Debt service would be that portion of the maximum annual special tax required to pay a parcel’s share of the debt service. The proposed financing structure of the CFD anticipates that one or more series of CFD bonds may be issued.

Amount Needed to Replenish Reserve Fund

In the event the reserve fund is drawn on to pay debt service or expenses of the CFD, a facilities special tax may be levied to replenish the bond reserve fund to required funding levels. A facilities special tax should be levied once for each draw on the bond reserve fund, to the extent the bond reserve fund can be brought back to required funding levels with just one such levy. If for any reason the bond reserve fund remains underfunded in a fiscal year following the fiscal year in which facilities special taxes were levied to replenish it, a second facilities special tax levy should not be required to replenish the bond reserve fund.

Administrative Expenses

Administrative expenses of the CFD are the reasonable costs of administering the CFD each fiscal year. Examples of administrative expenses are costs of computing facilities special taxes and preparing annual facilities special taxes collection schedules; costs of collecting the facilities special taxes; costs of remitting the facilities special taxes to the Trustee; costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture; costs to the City, CFD, or their designees of complying with arbitrage rebate requirements; costs complying with the City, CFD, or obligated persons disclosure requirements; costs associated with preparing special taxes disclosure statements; costs incurred in responding to public inquiries regarding the facilities special taxes; costs related to any appeal of the facilities special taxes; and amounts estimated to be advanced or advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the facilities special taxes and commencing and pursuing to completion any foreclosure of delinquent special taxes.

Amounts for Unpaid Facilities Special Taxes and Anticipated Delinquencies

The RMA allows for the levy of a facilities special tax to fund costs of unpaid facilities special taxes from a previous fiscal year or to fund anticipated facilities special tax delinquencies that may occur in the current fiscal year for which facilities special taxes are being levied. To the extent an amount is levied for a past delinquency, a second facilities special tax levy should not be levied for a facilities special tax delinquency that has already been accounted for in a previous year facilities special tax levy.

Generally, facilities special taxes eventually are brought current, either through payment by a property owner or through judicial foreclosure proceedings. When facilities special tax installments are paid current, the amount needed to fund debt service and CFD administration will have been collected for previous years, including additional amounts that were needed only to cover delinquencies that are now current. As such, these additional amounts should be considered as being available by the CFD to fund annual facilities costs in the following fiscal year.

Authorized Facilities Funded on a Pay-As-You-Go Basis

During the first 30 years, the DA entitles the developer to use pay-as-you-go revenues to fund authorized facilities. As such, facilities special tax revenues not needed to pay debt service during the first 30 years of the facilities special tax levy may be used to fund authorized CFD costs not otherwise funded with CFD bond proceeds.

Development Impact Fee Deferrals

As stated earlier, the DA entitles the developer to defer certain development impact fees identified in the DA, which may be amended from time to time. Eligible fees include the SPRTA Tier II Traffic Fee and three selected City fees. To preserve the City's ability to obtain reimbursement for deferred fees, each series of CFD bonds that may be issued will be structured based on the revenues that are pledged toward that bond sale without consideration of wrapping debt service around a previous CFD bond sale. The concept generally is that once a taxable parcel has been taxed as a developed parcel for 30 years and that tax was used to pay debt service on a series of CFD bonds, the future facilities special tax levy on that parcel should be available for the City to recover deferred impact fees for that parcel.

By way of a simple example, assume an initial CFD bond sale (Series A bonds) were sized (in CFD year 1) assuming maximum annual facilities special tax revenue from 400 units, even though all 400 units were not considered developed parcels at the time of the CFD bond sale. If a second series of CFD bonds were being issued in year 4 (Series B bonds) based on another project phase with 300 dwelling units, the CFD Series B bond sizing would not count on CFD facilities special tax revenues from any of the first 400 units in years 31, 32, and 33 when facilities special tax revenues from those first 400 units would no longer be needed to service outstanding bond debt for the Series A bonds. In this example, facilities special tax revenues from the first 400 units, beginning in Year 31, would be available to reimburse for deferred impact fees for those first 400 units.

Earnings on Reserve Funds, Special Tax Funds, and Other Funds

All interest earnings on bond reserve funds, facilities special tax funds, or other funds should be used to offset annual costs when determining the amount required for the annual facilities special tax levy.

Transition Event and Maintenance Special Taxes

Following the Initial Bonding period, and when the administrator determines that the Development Impact Fee Deferral has been repaid in full, or beginning FY 2085-86 (whichever occurs first), the administrator will determine that the "Transition Event" has occurred. In the fiscal year following the Transition Event, the City shall no longer levy

and collect the facilities special tax, and will in turn, begin the levy and collection of the maintenance special tax to fund the costs of authorized services, as defined in a previous chapter.

Definition of Annual Maintenance Costs

The maximum annual maintenance special tax established under the RMA is the maximum exposure to an annual maintenance special tax levy for a given parcel of land. The actual amount of the levy is derived through determining the “annual maintenance costs” of the CFD. The RMA identifies the annual maintenance costs components as these:

- a. Authorized services costs to be paid from maintenance special taxes.
- b. Administrative expenses for such fiscal year.
- c. The amount needed (1) to cure any delinquencies in the payment of the maintenance special tax in the prior fiscal year, to the extent not otherwise included in a computation of annual maintenance costs in the current or any previous fiscal year and (2) to fund any foreseeable deficiency in the payment of the maintenance special tax for that fiscal year, which is expected to occur in such fiscal year, to the extent not included in a computation of annual maintenance costs in the current or any previous fiscal year.
- d. Less any available earnings on any reserve fund, maintenance special tax funds or any other available revenues of the CFD or the City that may be used to fund annual maintenance costs.

Assignment of Maximum Annual Special Tax

Sections 4 and **5** of the RMA describe in detail the precise method for assigning the maximum annual facilities special tax, maximum annual maintenance special tax, and maximum annual special tax to parcels in the CFD. The RMA assigns a total maximum annual special tax to taxable parcels based on parcel configurations at the time of formation of the CFD and then as subdivision maps are recorded. Original parcels are those parcel configurations when the CFD is formed. Successor parcels are created as large lot subdivision maps are recorded, and then small lot final maps are recorded defining individual buildable residential lots.

Original Parcels

Original parcels are assigned a maximum annual facilities special tax using **Attachment 3** of the RMA. **Attachment 3 (Table 4)** of this document shows the total maximum facilities annual special tax and maximum annual facilities special tax per unit or per acre for each of the 5 original parcels.

Attachment 4 (Table 5) shows the assigned maximum annual maintenance special tax before and after the transition event, for all tax categories.

Successor Parcels

Successor parcels are created when original parcels are subdivided by the recording of large lot subdivision maps or other parcel reconfigurations, such as through a lot line adjustment, and further subdivided into buildable residential lots. The RMA provides specific detail and definitions used in allocating the maximum annual facilities special tax to parcels in their final use, whether as residential or nonresidential parcels.

Attachment 3 (Table 4) of this document shows the maximum annual facilities special tax for planned large lot parcels. Each large lot is assigned one tax category, the number of planned residential units, and a maximum annual facilities special tax per unit or per acre. The maximum annual facilities special tax for a large lot parcel is the sum of the number of units in the tax category multiplied by the maximum annual facilities special tax for the tax category.

If fewer units are realized at recordation of a final map defining buildable lots than shown in **Table 4**, the maximum annual facilities special tax for the large lot parcel is divided by the actual number of residential units created by the final map to determine the maximum annual facilities special tax per unit. If more residential units are created by a final map than shown in **Table 4**, the maximum annual facilities special tax per unit is that amount shown in **Table 4**.

The RMA is structured to ensure that the maximum annual facilities special tax for a large lot is not reduced over time by anticipated development of each large lot. The facilities special tax revenue for large lot parcels may increase if higher densities are realized over time.

Maximum annual maintenance special taxes are identified for tax categories in **Attachment 4 (Table 5)** of this document).

Annexation Parcels

Parcels are anticipated to be annexed into the CFD in the future. If parcels are annexed into the CFD after formation, the maximum annual facilities special tax, maximum annual maintenance special tax, and maximum annual special tax will be assigned to these annexation parcels using the definitions in **Section 2** of the RMA and the maximum annual facilities special tax per unit or per acre shown in **Attachment 2 (Table 3)** of this document) as adjusted by the tax escalation factor applied by the administrator, unless the annexation parcels are annexed with a new set of maximum annual facilities special taxes. **Attachment 3 (Table 4)** will be amended, or a new attachment created, to include the annexation parcels and, if necessary, the applicable tax rates. If new maximum annual facilities special taxes are created, **Attachments 2 and 3** should be amended to reflect the maximum annual facilities special taxes for the annexation parcels. Once annexed, these annexed parcels will be considered original and successor

parcels and will be subject to the same procedures for assignment of the maximum annual facilities special tax to successor parcels described in **Section 4.c** of the RMA. The owner of the annexation parcels will be responsible for paying all costs associated with annexing the annexation parcels into the CFD, but otherwise will not be required to pay any other charge, fee, or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the annexation parcel in connection with the annexation.

Maximum annual maintenance special taxes are identified for tax categories in **Attachment 4 (Table 5)** of this document).

Affordable Units

The RMA recognizes affordable housing units may be built in the CFD. Affordable units area assigned zero tax rates for facilities taxes and maintenance taxes. **Section 4.e** of the RMA discusses the assignment of the maximum annual special tax to affordable residential lots that are converted to market-rate housing units.

Transfer of the Assigned Maximum Annual Facilities Special Tax

The City may, in its sole discretion, allow for a transfer of the maximum annual facilities special tax from one large lot parcel to another. Such a transfer will be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director and (2) there is no reduction in the CFD maximum annual facilities special tax revenues as a result of the transfer. Provisions for such a transfer are discussed in **Section 4.f** of the RMA.

Conversion of a Tax-Exempt Parcel to a Taxable Parcel

If a tax-exempt parcel is not needed for public use or other nontaxable use and is converted to a taxable use or transferred to a private owner, it will become subject to the special tax. The maximum annual special tax for the newly assigned tax category for such a parcel is determined using the provisions of **Sections 4** and **5** of the RMA.

Taxable Parcels Acquired by a Public Agency

A taxable parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable special tax unless the special tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a

public parcel, such as a school site, is relocated to a taxable parcel, in which case the previously tax-exempt parcel of comparable acreage becomes a taxable parcel and the maximum annual special tax from the previously taxable parcel is transferred to the new taxable parcel. This trading of a parcel from a taxable parcel to a public parcel will be permitted to the extent there is no net loss in maximum CFD special tax revenue and the transfer is agreed to by the owners of the parcels involved in the transfer and the Finance Director.

Determination of Parcels Subject to Special Tax

By June 30 of each Fiscal Year, using the definitions in **Section 2** of the RMA, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the Administrator will cause:

1. Each parcel to be classified as a taxable parcel or a tax-exempt parcel.
2. Each parcel to be classified as a developed parcel, a small lot tentative map parcel, a large lot parcel (including remainder parcels), or an undeveloped parcel.

Setting the Facilities Special Tax Levy for Taxable Parcels

To determine the annual levy, the administrator will use the process presented in **Section 7** of the RMA. In general, the provisions of **Section 7** describe the following procedures to set the annual facilities special tax levy for each taxable parcel:

- First, the administrator must compute the annual facilities costs using the definitions in **Section 2** of the RMA. Next, the administrator will levy the facilities special tax proportionately on all developed parcels, up to the amount of annual facilities costs or 100 percent of the maximum facilities special tax for developed property, whichever is less.
- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all small lot tentative map parcels, such that when added to the levy on developed parcels, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for small lot tentative map parcels, whichever is less.
- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all large lot parcels, such that when added to the levies on parcels described above, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for large lot parcels, whichever is less.

- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all undeveloped parcels, such that when added to the levies on parcels described above, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for large lot parcels, whichever is less.

Once the facilities special tax levy is determined for a fiscal year, the administrator creates the tax schedule to deliver to the County Auditor-Controller.

Setting the Maintenance Special Tax Levy for Taxable Parcels

Beginning in the Transition Year, the administrator will use the process presented in **Section 7** of the RMA to set the annual maintenance special tax levy. In general, the provisions of **Section 7** describe the following procedures to set the annual maintenance special tax levy for each taxable parcel:

- First, the administrator must compute the annual maintenance costs using the definitions in **Section 2** of the RMA. Next, the administrator will levy the maintenance special tax proportionately on all developed parcels, up to the amount of annual maintenance costs or 100 percent of the maximum maintenance special tax for developed property, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all small lot tentative map parcels, such that when added to the levy on developed parcels, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for small lot tentative map parcels, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all large lot parcels, such that when added to the levies on parcels described above, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for large lot parcels, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all undeveloped parcels, such that when added to the levies on parcels described above, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for large lot parcels, whichever is less.

Once the maintenance special tax levy is determined for a fiscal year, the administrator creates the tax schedule to deliver to the County Auditor-Controller.

Prepayment of the Special Tax Obligation

For residential uses, a property owner may at any time prepay 50 percent, but not more or less than 50 percent of the maximum annual facilities special tax. Full prepayment is permissible for nonresidential use parcels. In addition to the above, full or partial prepayment is permitted only under the following conditions:

- The landowner prepaying the facilities special tax on a parcel has paid any delinquent facilities special tax and penalties on that parcel before prepayment.
- Following prepayment, amounts in the reserve fund are equal to or greater than the reserve fund requirement.
- The City determines that the prepayment will not jeopardize its ability to make timely payments of debt service and maintain a 110-percent annual debt service coverage based on maximum annual special tax revenues in all years in which issued bonds will be outstanding.
- The portion of the prepayment for the Development Impact Fee Deferral shall only be used to pay for the Development Impact Fee Deferral whether it was or is to be funded through annual special tax payments or through bonded indebtedness.

The full and partial prepayment calculations are described in detail in **Section 8** of the RMA. Partial prepayments also must account for collection of any development impact fee deferral for a given parcel.

Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the special tax assigned to a parcel is in error may file a notice with the administrator appealing the levy of the special tax. The administrator then will promptly review the appeal and, if necessary, meet with the applicant. If the administrator verifies that the tax should be modified or changed, the special tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without resolution or ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the special tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of the RMA that do not materially affect the rate, method of apportionment, or manner of collection of the special tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

Manner of Collection

The special tax will be collected in the same manner and at the same time as ad valorem property taxes. As specified in **Section 10** of the RMA, the administrator or their designee may directly bill the special tax and may collect the special tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.



EXHIBITS:

- Exhibit A: Facilities Rate, Method of Apportionment, and Manner of Collection of Special Tax
- Exhibit B: List of Authorized Facilities



EXHIBIT A:
**Facilities Rate, Method of Apportionment, and
Manner of Collection of Special Tax**

EXHIBIT A

City of Roseville
Baseline at Sierra Vista Community Facilities District No. 1
(Public Facilities)
(Improvement Area No. 1)
Placer County, California

RATE, METHOD OF APPORTIONMENT, AND
MANNER OF COLLECTION OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in Baseline at Sierra Vista Community Facilities District No. 1 (Public Facilities) (Improvement Area No. 1) of the City of Roseville (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"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 or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs related to the administration of the CFD, including, but not limited to, these:

- a. Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the City or any designee thereof or both).
- b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).
- c. Costs of remitting the Special Taxes to the Trustee.
- d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.
- e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.
- f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.

- g. Costs associated with preparing Special Tax disclosure statements.
- h. Costs incurred in responding to public inquiries regarding the Special Taxes.
- i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Taxes.
- j. Costs associated with the release of funds from an escrow account, if any.
- k. Costs to the City for the issuance of Bonds authorized by the CFD that are not recovered through the Bond sale proceeds.
- l. Amounts estimated to be advanced or already advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the Special Taxes and commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means a City official in the Finance Department, or their designee responsible for determining or overseeing the levy and collection of the Special Taxes.

"Affordable Housing Director" means, at any point in time, the person in the City who serves as head of the department that is in charge of the City's affordable housing program.

"Affordable Unit" means a Unit built on a Residential Use Parcel for which an Affordable Unit agreement has been entered into for the property designating the Unit as affordable, or is determined to be exempt from the Special Tax under applicable law. A Multifamily Parcel For-Rent may have only a portion of the Units assigned as Affordable Units. The City Manager, or his or her designee, shall determine which Units are designated as Affordable Units and maintain an Affordable Unit listing, which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lot Parcels remaining before May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot Parcel; all entries shall indicate the effective date of designation. The Affordable Unit listing also shall be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market-Rate Units. The Affordable Unit listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to the Administrator by July 1 of each year for purposes of determining the Maximum Annual Special Tax for Parcels pursuant to **Section 4**.

"Annexation Parcels" means a Parcel or Parcels annexed to the CFD after formation. The Maximum Annual Special Tax will be assigned to such Parcels using the provisions of **Section 4**. Annexation Parcels may be assigned a different Maximum Annual Special Tax Rate or Maximum Annual Special Tax per Parcel using a methodology different from the other Parcels in the CFD and may be placed in an area designated as a separate zone or improvement area of the CFD, all of which shall be set forth in revised attachments hereto as needed, without further CFD proceedings.

"Annual Facilities Costs" means, for any Fiscal Year, the total of these:

- a. Debt Service to be paid from Facilities Special Taxes.

- b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Facilities Costs in a previous Fiscal Year.
- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (1) cure any delinquencies in the payment of principal or interest on Bonds, which have occurred in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, , and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds, which are expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- e. The amount needed to (1) cure any delinquencies in the payment of the Facilities Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Facilities Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- f. Authorized Pay-As-You-Go Costs.
- g. During the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.
- h. *Less* any available earnings on any reserve fund or Facilities Special Tax funds, available capitalized interest or any other available revenues of the CFD or the City that may be used to fund Annual Facilities Costs.

“Annual Maintenance Costs” means, for any Fiscal Year, the total of these:

- a. Authorized Services costs to be paid from Maintenance Special Taxes.
- b. Administrative Expenses for such Fiscal Year.
- c. The amount needed to (1) cure any delinquencies in the payment of the Maintenance Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Maintenance Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year.
- d. *Less* any available earnings on any reserve fund, Maintenance Special Tax funds or any other available revenues of the CFD or the City that may be used to fund Annual Maintenance Costs.

“Assessor’s Parcel” means a lot or Parcel with an assigned Assessor’s Parcel Number in the maps used by the County Assessor in preparing the tax roll.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel Number.

“**Assessor’s Parcel Number**” means the Parcel and Parcel Number as assigned by the County Assessor on the equalized tax roll.

“**Assigned Maximum Annual Special Tax**” means the maximum Facilities Special Tax or Maintenance Special Tax assigned to each Large Lot Parcel that is an Original Parcel based on the Expected Land Uses at CFD formation, as shown in **Attachment 1**.

“**Authorized Facilities**” means those facilities and fees to be financed, as identified in the resolution forming the CFD.

“**Authorized Services**” means those services authorized to be funded, as defined in the resolution forming the CFD.

“**Base Year**” means the Fiscal Year beginning July 1, 2020, and ending June 30, 2021.

“**Bond(s)**” means any bond(s) issued by the City for the CFD under the Act and any other debt, as defined in the Act, the City incurs to further the CFD’s purposes.

“**Bond Indenture(s)**” means the indenture(s), resolution(s), fiscal agent agreement(s), or other financing document(s) pursuant to which any Bonds are issued.

“**Building Permit**” means a permit issued by the City for the construction of a Residential Use or Nonresidential Use structure.

“**Business Professional**” means a Parcel or Parcels zoned to provide for office uses and other uses that are related to and supportive of office uses.

“**CFD**” means Baseline at Sierra Vista Community Facilities District No. 1 (Public Facilities) of the City of Roseville, Placer County, California.

“**Chief Financial Officer**” or “**CFO**” means the Chief Financial Officer of the City, or his/her designee.

“**City**” means the City of Roseville in Placer County, California.

“**Community Commercial**” means a Parcel or Parcels zoned to serve the principal retail shopping needs of the entire community by providing areas for shopping centers, and other retail and service uses.

“**Council**” means the City Council of the City acting for the CFD under the Act.

“**County**” means the County of Placer, California.

“**Debt Service**” means the total annual amount of Bond principal, interest, and the scheduled sinking fund payments of the Bonds in a calendar year.

“**Deferral Bonding Period**” means the period after the Initial Bonding Period has ended and during which the City finances the Development Impact Fee Deferral.

“**Developed Parcel**” means, in any Fiscal Year:

- a. For Single-Family Parcels: All Parcels for which a Final Small Lot Subdivision Map was recorded before May 1 of the preceding Fiscal Year.
- b. For Multifamily For-Rent Parcels and Multifamily For-Sale Parcels: All Parcels for which a Building Permit for new construction of a Residential Use structure was issued before May 1 of the preceding Fiscal Year.
- c. For all Nonresidential Use Parcels: All Parcels for which a Building Permit for new construction of a Nonresidential Use structure was issued before May 1 of the preceding Fiscal Year.

Once a Parcel is defined as a Developed Parcel it shall remain as a Developed Parcel.

Development Agreement means the Development Agreement By and Between the City of Roseville and DF Properties, Inc. relative to the Sierra Vista Specific Plan dated April 28, 2010.

Development Impact Fee Deferral means the deferred payment of development impact fees due to the City or the South Placer Regional Transportation Authority (SPRTA) for Developed Parcels, using the approach and amounts identified in the Development Agreement, which may be amended from time to time.

Development Plan means a condominium plan, apartment plan, site plan, or other development plan that identifies such information as the type of structure, acreage, square footage, or number of Units that are approved to be developed on Single-Family Parcels, Multifamily Parcels, and Nonresidential Parcels.

Expected Land Use(s) means the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at CFD formation as identified in **Attachment 3** of this RMA.

Facilities Special Tax means the Special Tax authorized to fund Annual Facilities Cost. Facilities Special Taxes are shown in **Attachments 1** and **2**.

Final Use Small Lot Parcel means a Parcel designated for development as a single-family residence, which is part of a Final Small Lot Subdivision Map.

Final Small Lot Subdivision Map means a recorded map designating the final Parcel subdivision for individual Single-Family Parcels.

Fiscal Year means the period starting July 1 and ending the following June 30.

Full Prepayment means the complete fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

High Density Residential means, per the Sierra Vista Specific Plan, a land use designation that primarily accommodates attached housing, but depending on the unit type, could also include detached housing, within the density range of 13.0 or greater dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, detached townhomes, courtyard townhomes/condominiums, garden-style apartments, and podium design apartments/condominiums.

“Improvement Area” means an area within the CFD with its own distinct geographic area in which the provisions of this RMA shall apply. If there are more than one Improvement Areas, each Improvement Area shall have its own distinct number that is different from any other Improvement Area.

“Improvement Area No. 1” means the area designated as such on **Map 1**. The area included in Improvement Area No. 1 will be included in the initial boundaries of the CFD.

“Initial Bonding Period” means the period in which Bonds are outstanding which financed Authorized Facilities costs or refunded prior Bonds other than the Development Impact Fee Deferral. Each Improvement Area of the CFD will have its own Initial Bonding Period.

“Large Lot Parcel” means a Parcel created by a Large Lot Subdivision Map.

“Large Lot Subdivision Map” means a recorded subdivision map creating Parcels by land use. However, the Large Lot Subdivision Map does not delineate Final Use Small Lot Parcels. A Final Small Lot Subdivision Map will create individual Single-Family Parcels.

“Low Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that supports single-family detached homes on conventional lots within the density range of up to 6.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard, alley-loaded, or clustered, single-family detached units.

“Maintenance Special Tax” means the Special Tax authorized to fund Annual Maintenance Costs. The Maintenance Special Tax will be levied and collected beginning with the Transition Year. Maintenance Special Taxes are shown in **Attachment 3**.

“Market-Rate Unit” means a Unit that is not an Affordable Unit.

“Maximum Annual Special Tax” means the greatest amount of Facilities Special Tax or Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 1, 2, and 3**.

“Maximum Annual Facilities Special Tax” means the greatest amount of Facilities Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 1, 2, or 3**.

“Maximum Annual Maintenance Special Tax” means the greatest amount of Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 1, 2, or 3**.

“Maximum Annual Special Tax Rate” means the rate of Facilities Special Tax or Maintenance Special Tax charged per Unit or per Taxable Acre, as shown in **Attachments 1, 2, and 3**.

“Maximum Annual Facilities Special Tax Revenue” means the greatest amount of Facilities Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Facilities Special Tax.

“Maximum Annual Maintenance Special Tax Revenue” means the greatest amount of Maintenance Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Maintenance Special Tax.

“Maximum Annual CFD Special Tax Revenue” means the sum of the Maximum Annual Special Tax levied on all Taxable Parcels in the CFD in a Fiscal Year.

“Medium Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that accommodates both single-family detached homes and attached homes within the density range of 7.0 to 12.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard or alley-loaded lots, courtyard lots, green court lots, auto courts, alley clusters, zero-lot lines, or z-shaped lots. In addition, duet/half-plex homes, townhomes, or condominiums may be accommodated in Medium Density Residential areas.

“Mixed Use Parcel” means a Parcel or Parcels designated for a combination of Residential Uses and Nonresidential Uses.

“Multifamily For-Rent” or **“Multifamily For-Rent Parcel”** means any Parcel designated or developed for more than one residential dwelling Unit per Parcel and where such units are initially offered for rent to the general public and cannot be purchased by individual homeowners. Such uses may consist of apartments or structures such as duplexes or triplexes, including land uses defined as High Density Residential. Each residential dwelling Unit within Multifamily For-Rent or Multifamily For-Rent Parcels is not expected to have its own distinct Assessor’s Parcel Number.

“Multifamily For-Sale” or **“Multifamily For-Sale Parcel”** means any Parcel designated or developed for more than one residential dwelling Unit within a single building or structure and that may share at least one common wall where such units are not initially offered for rent to the general public and initially may be offered for sale to individual homeowners. Such uses may consist of condominiums or buildings such as half-plexes or time-share units, including land uses defined as High Density Residential. Multifamily For-Sale Parcels are anticipated to have their own distinct Assessor’s Parcel Number as is the case in residential condominium projects. Once designated as Multifamily For-Sale or Multifamily For-Sale Parcel, the Parcel shall remain so designated unless the original structures are demolished.

“Nonresidential Use” means a Taxable Parcel zoned for land uses other than Residential Uses which may include Business Professional, Community Commercial and Mixed Use.

“Original Parcel” means a Taxable Parcel identified in **Attachment 1** at formation of the CFD.

“Parcel” means any Assessor’s Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

“Partial Prepayment” means the partial fulfillment of a Parcel’s Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“Pay-As-You-Go Costs” means that portion of costs of acquisition, construction, and improvement of Authorized Facilities not financed by Bonds that are eligible for funding from excess Special Tax.

“Prepayment” means the full or partial fulfillment of a Parcel’s Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Developed Parcels. For Small Lot Tentative Map Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Small Lot Tentative Map Parcels. For Large Lot Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Large Lot Parcels. For Undeveloped Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Undeveloped Parcels.

“Public Parcel” means any Parcel that is or is intended to be publicly owned, as designated in any final map, that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways, landscaping, wetlands, greenbelts, and open space.

“Remainder Parcel” means a portion of a unit of land that is created as a result of the recording of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a designated remainder as defined in Government Code Section 66424.6(a) (Remainder Parcel). Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as park sites. Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

“Residential Use” means a Parcel designated for residential use, such as single-family residential Units, residential condominiums, townhouses, or apartments that would be included in the definitions of Low-Density Residential, Medium Density Residential or High Density Residential.

“RMA” means this Rate and Method of Apportionment, and Manner of Collection of Special Tax, as it may be amended from time to time in connection with Annexation Parcels or otherwise.

“Single-Family Parcel” means, in any Fiscal Year, all Parcels in the CFD for which a building permit was issued or may be issued for construction of a Unit that is a single-family residential, residential condominium, or townhouse Unit.

“Small Lot Tentative Map” means a map that is approved by the City for the purpose of showing the design of a proposed Subdivision, including the individual buildable lots expected in the Subdivision, as well as the conditions pertaining thereto. The Small Lot Tentative Map designation for this RMA is in reference only to the areas shown on the map on which Low-Density Residential and Medium-Density Residential uses would be permitted. A Small Lot Tentative Map is not based on a detailed survey of the property in the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Parcel” means, in any Fiscal Year, all Parcels included in a Small Lot Tentative Map that was approved before May 1 of the prior Fiscal Year that are planned for Low-Density Residential and Medium-Density Residential and which have not yet become a Developed Parcel.

“Special Tax(es)” mean(s) any tax levy under the Act in the CFD.

"Subdivision" or **"Subdivided"** means a division of a Parcel into two or more Parcels through Parcel reconfiguration, lot-line adjustments, or the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

"Successor Parcel" means a Parcel created by the Subdivision of an Original Parcel or a Successor Parcel.

"Tax Category" means the categories of taxable land uses shown in **Attachments 1, 2, and 3.**

"Tax Collection Schedule" means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

"Tax Escalation Factor" means a factor of 2 percent by which the Maximum Annual Facilities Special Tax, Maximum Annual Maintenance Special Tax and related Maximum Annual Special Tax Rates shall be increased annually until the Transition Event. After the Transition Event, the Maximum Annual Maintenance Special Tax may be increased up to 2 percent annually at the City's discretion. The Administrator should refer to **Section 4.a** for application of the Tax Escalation Factor.

"Taxable Acreage" means that area of a Parcel determined by the Administrator to become a Taxable Parcel or Parcels upon further Subdivision. An example might be that a Large Lot Parcel Map creates a Remainder Parcel that, according to **Attachment 1**, contains both taxable uses and tax-exempt uses.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax-Exempt Parcel" means a Parcel not subject to the Annual Special Tax. Tax-Exempt Parcels include (a) Public Parcels, (b) Affordable Units, and (c) Parcels owned by the City, school districts, special districts, or the state or federal government. A Taxable Parcel that is acquired by a public agency shall remain a Taxable Parcel as per the provisions of **Section 4.g.**

Certain privately-owned Parcels also may be exempt from the levy of Annual Special Taxes, including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"Transition Event" means the earlier of (a) after the Initial Bonding period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral, and any eligible Pay-As-You-Go Costs have been repaid in full to the City and City determines funding is no longer needed for Annual Facilities Costs, or (b) Fiscal Year 2085-86.

"Transition Year" means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred.

"Trustee" means a national banking association organized and existing under the laws of the United States acting as a trustee or fiscal agent for Bonds.

"Undeveloped Parcel" means a Taxable Parcel that is not a Developed Parcel, Small Lot Tentative Map Parcel, or a Large Lot Parcel.

“**Unit**” means, for a Single-Family Parcel, the individual residential unit on such Parcel, or for a Multifamily For-Rent Parcel or Multifamily For-Sale Parcel, an individual residential unit in a multifamily building.

3. Duration of the Special Tax

The Facilities Special Tax will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2085-86. The Maintenance Special Tax will be levied and collected beginning in the Transition Year. The Maintenance Special Tax will be collected in perpetuity.

4. Administrative Tasks for the Facilities Special Tax

Tasks required of the Administrator are discussed below:

- a. Annual Special Tax Escalation. Until the Transition Event, the Administrator shall increase the Maximum Annual Facilities Special Tax, the Maximum Annual Maintenance Special Tax and Maximum Annual Special Tax Rates by the Tax Escalation Factor in all Fiscal Years following the Base Year. After the Transition Event, the City, in its sole discretion, may determine whether to apply the Tax Escalation Factor to the Maximum Annual Maintenance Special Tax in any Fiscal Year.
- b. Assignment of the Maximum Annual Facilities Special Tax to Original Parcels. **Attachment 1** identifies the Assigned Maximum Annual Facilities Special Tax for each Original Parcel at CFD formation, which is determined for each Large Lot Parcel based on the Expected Land Uses in each Large Lot Parcel at CFD Formation. The Assigned Maximum Annual Facilities Special Tax shall continue to apply to the geographic area to which it was assigned. If, before further Subdivision, the Administrator determines there are multiple Assessor’s Parcels in a Large Lot Parcel, the Administrator shall assign the Maximum Annual Facilities Special Tax to each Assessor’s Parcel on a pro rata basis to all Assessor’s Parcels in that Large Lot Parcel based on the percentage share of Taxable Acreage identified for each Assessor’s Parcel. Similarly, if the Administrator determines there are multiple Large Lot Parcels in an Assessor’s Parcel, the Maximum Annual Facilities Special Tax shall equal the sum of the Assigned Maximum Annual Facilities Special Tax for all Large Lot Parcels in that Assessor’s Parcel.
- c. Assignment of the Maximum Annual Facilities Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Facilities Special Tax shall be assigned to these Annexation Parcels using the definitions in **Section 2** and the Maximum Annual Facilities Special Tax per Unit or Acre shown in **Attachment 2** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Facilities Special Taxes. **Attachment 1** or **2** shall be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Facilities Special Taxes are created, **Attachments 1, 2, and 3** should be amended to reflect the Maximum Annual Facilities Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Facilities Special Tax to Successor Parcels described in

Section 4.d. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.

d. Assignment of the Maximum Annual Facilities Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the following steps to assign the Maximum Annual Facilities Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Facilities Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Facilities Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual Facilities Special Tax for that Original Parcel or Successor Parcel.

1. If an Original Parcel or Successor Parcel is Fully Subdivided into Single-Family Parcels with No Remainder Parcel(s). There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Facilities Special Tax to Single-Family Parcels. The Administrator shall use the following procedures to assign the Maximum Annual Facilities Special Tax to Single-Family Parcels. All references to Maximum Annual Facilities Special Taxes in the attachments are subject to application by the Tax Escalation Factor by the Administrator:

- A. Multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
- B. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.1.d.A above to each Single-Family Parcel created by the Subdivision.
- C. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units equals the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.

2. If Original or Successor Parcel Is Subdivided into Single-Family Parcels and One or More Remainder Parcels. When an Original or Successor Parcel is Subdivided into Single-Family Parcels and one or more Large Lot Parcels (or Remainder Parcels), the Assigned

Maximum Annual Facilities Special Tax is apportioned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:

- A. Apportion the Assigned Maximum Annual Facilities Special Tax to the area(s) that is/are being Subdivided into Single-Family Parcels and to the area(s) that will be Remainder Parcel(s) on a pro rata basis, based on the percentage share of Taxable Acreage represented by each such area as compared to the total area of the Original or Successor Parcel.
- B. For each area Subdivided into Single-Family Parcels, multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
- C. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.d.2.B above to each Single-Family Parcel created by the Subdivision.
- D. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units equals the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- E. For the Remainder Parcel or Parcels, identify the Maximum Annual Facilities Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by the Subdivision. Subtract the sum of the Maximum Annual Facilities Special Tax for all Single-Family Parcels from the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel being subdivided and compare it to the Maximum Annual Facilities Special Tax assigned to the Remainder Parcel or Parcels in Step 4.d.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.d.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by such Subdivision.

Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

3. If an Original or Successor Parcel is Subdivided creating multiple land uses and Tax Categories or for any rezones of land uses on Original or Successor Parcels:
 - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided or rezoned.
 - B. For each Taxable Parcel subject to rezone or created by Subdivision multiply the Maximum Annual Facilities Special Tax per Unit or per Acre by the number of Units or by the number of Acres by the appropriate Tax Category.
 - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is subject to rezone or is being Subdivided. If the sum of the Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
 - D. If the sum of the Maximum Annual Special Tax is less than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall Proportionately increase the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel until the sum of the Maximum Annual Special Tax is equal to the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.

4. If an Original Parcel or Successor Parcel is Subdivided creating multiple Nonresidential Use Parcels:
 - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided.
 - B. For each Taxable Parcel created by Subdivision multiply the Maximum Annual Facilities Special Tax per Acre by the number of Acres by the appropriate Tax Category.
 - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is being Subdivided. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
 - D. If the sum of the Maximum Annual Special Tax is less than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall Proportionately increase the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel until the sum of the Maximum Annual Special Tax is equal to the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.

- e. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the

Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Facilities Special Tax per Unit based on their Tax Category as shown in **Attachment 2**, as adjusted by the Tax Escalation Factor so long as the Special Tax does not decrease on such a Unit.

- f. Transfer of the Assigned Maximum Annual Facilities Special Tax from One Large Lot Parcel to Another. The Maximum Annual Facilities Special Taxes shown in **Attachment 2** were determined based on the Expected Land Uses for each Large Lot Parcel shown in **Attachment 1**. If the number of planned residential Units or Nonresidential Acreage is transferred from one Large Lot Parcel to another before recording of a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Facilities Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the CFO, and (2) there is no reduction in the Maximum Annual CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1, 2, or 3** of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the CFD records and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1, 2, or 3**. Before the transfer, the City may require a deposit from the requesting property owner for such costs.
- g. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Facilities Special Tax. The Maximum Annual Facilities Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 4 and 5** of the RMA.
- h. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Facilities Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the CFO.

5. Administrative Tasks for the Maintenance Special Tax

This section discusses the administrative tasks for the Maintenance Special Tax, which shall be applicable after the Transition Event.

Tasks required of the Administrator are discussed below:

- a. Assignment of the Maximum Annual Maintenance Special Tax to Developed Parcels. After the Transition Event, the Administrator shall assign the Maximum Annual Maintenance Special Tax to all Developed Parcels using the Maximum Annual Special Tax Rates for the Maintenance Special Tax by Tax Category shown in **Attachment 3**, as adjusted by the Tax Escalation Factor.
- b. Assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels. After the Transition Event, if Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the steps in **Section 4.d** to assign the Maximum Annual Maintenance Special Tax to new Successor Parcels. **When applying Section 4.d after the Transition Event, the Administrator shall substitute Maintenance Special Tax for Facilities Special Tax and shall substitute Maximum Annual Maintenance Special Tax for Maximum Annual Facilities Special Tax.**
- c. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Maintenance Special Tax per Unit based on their Tax Category as shown in **Attachment 3**, as adjusted by the Tax Escalation Factor.
- d. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Maintenance Special Tax. The Maximum Annual Maintenance Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 5 and 6** of the RMA.
- e. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Maintenance Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the CFO.

6. Assignment of the Maximum Annual Special Tax

- a. Classification of Parcels. For purposes of the next Fiscal Year tax levy, by June 30 of each Fiscal Year, using the Definitions in **Section 2**, the Parcel records of the Assessor's secured tax roll as of January 1, and other City development approval records, the Administrator shall cause:
 1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.

2. Each Parcel to be classified as a Developed Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.
- b. Assignment of the Maximum Annual Facilities Special Tax to Taxable Parcels. The Maximum Annual Facilities Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Section 4**.
- c. Assignment of the Maximum Annual Maintenance Special Tax to Taxable Parcels. Following the Transition Even, the Maximum Annual Maintenance Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Sections 4** and **5**.

7. Calculating Annual Special Taxes

This section discusses the levy of the Facilities Special Tax and the Maintenance Special Tax. Collectively, these Special Taxes are included in the discussion of the assignment of the Maximum Annual Special Taxes. For the period following CFD formation until the Transition Event, the Maximum Annual Special Tax shall refer to the Facilities Special Tax. Beginning with the Transition Year, the Maximum Annual Special Tax shall refer to the Maintenance Special Tax.

The Administrator will compute the Annual Facilities Costs or Annual Maintenance Costs and determine the annual Special Tax levy for each Taxable Parcel based on the assignment of the Special Tax in **Sections 4, 5, and 6**. The Administrator then will determine the tax levy for each Taxable Parcel using the following process:

Facilities Special Tax Levy

- a. Compute the Annual Facilities Costs using the definition of Annual Facilities Costs in **Section 2**.
- b. For all Taxable Parcels, calculate the Facilities Special Tax levy for each using the following steps:
 - Step 7.b.1. The Facilities Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Facilities Cost or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Developed Parcels, whichever is less.
 - Step 7.b.2. If additional revenue is needed after *Step 7.b.1.*, the Facilities Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed in *Step 7.b.1.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Small Lot Tentative Map Parcels. As necessary, the Facilities Special Tax shall be levied on Small Lot Tentative Map Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.
 - Step 7.b.3. If additional revenue is needed after *Step 7.b.2.*, the Facilities Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount

computed through *Step 7.b.2.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Large Lot Parcels. As necessary, the Facilities Special Tax shall be levied on Large Lot Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

- Step 7.b.4. If additional revenue is needed after *Step 7.b.3.*, the Facilities Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.3.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Undeveloped Parcels. As necessary, the Facilities Special Tax shall be levied on Undeveloped Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Maintenance Special Tax Levy

- c. Beginning in the Transition Year, compute the Annual Maintenance Cost using the definition of Annual Maintenance Costs in **Section 2**.

- d. For all Taxable Parcels, calculate the Maintenance Special Tax levy for each using the following steps:

Step 7.d.1. The Maintenance Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Maintenance Cost or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Developed Parcels, whichever is less.

Step 7.d.2. If additional revenue is needed after *Step 7.d.1.*, the Maintenance Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed in *Step 7.d.1.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Small Lot Tentative Map Parcels.

Step 7.d.3. If additional revenue is needed after *Step 7.d.2.*, the Maintenance Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed through *Step 7.d.2.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Large Lot Parcels.

Step 7.d.4. If additional revenue is needed after *Step 7.d.3.*, the Maintenance Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.3.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Undeveloped Parcels.

- e. Levy on each Taxable Parcel the amount calculated above.

- f. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 10**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will be sent no later than the date required by the County Auditor for such inclusion.

The Administrator will make every effort to calculate the Special Tax correctly for each Parcel. It will be the burden of the taxpayer to identify any errors in determining which Parcels are subject to the tax and their Special Tax assignments.

8. Prepayment of the Facilities Special Tax Obligation

A property owner may at any time prepay 50 percent, but not more or less than 50 percent of the Maximum Annual Facilities Special Tax. For Nonresidential Use Parcels, Full Prepayment is permissible at any time. Full Prepayment is not allowable for Residential Use Parcels.

In addition to the conditions above, the City may allow a Full or Partial Prepayment if the City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years where there will be Outstanding Bonds. Prepayments must be made by May 1 to have the Prepayment reflected in the following Fiscal Year's Special Tax levy. Prepayment is permitted only under the following conditions:

- The landowner prepaying the Facilities Special Tax on a Parcel has paid any delinquent Facilities Special Tax and penalties on that Parcel before Prepayment.
- Following Prepayment, amounts in the reserve fund are equal to or greater than the reserve fund requirement.
- The City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years in which issued Bonds will be outstanding.
- The portion of the Prepayment for the Development Impact Fee Deferral shall only be used to pay for the Development Impact Fee Deferral whether it was or is to be funded through annual special tax payments or through bonded indebtedness.

When permitted, the Administrator shall calculate Prepayments using the following steps:

- a. The Full Prepayment amount shall be established by following the steps below:

Step 8.a.1: Determine the Facilities Special Tax for the Taxable Parcel for which the Facilities Special Tax is to be prepaid using the provisions of **Sections 4, 5, and 6**. If the Parcel is not designated as a Developed Parcel, determine the applicable Facilities Special Tax for the Parcel assuming it is a Developed Parcel.

Step 8.a.2: Increase the Facilities Special Tax by 2 percent per annum for the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities

Special Tax as a Developed Parcel, or (ii) the end of the then-remaining Initial Bonding Period.

- Step 8.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 8.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
- Step 8.a.4: Add to the amount calculated in *Step 8.a.3* interest on the Bonds being redeemed to the next redemption date.
- Step 8.a.5: Add to the amount calculated in *Step 8.a.4* a redemption premium on the Bonds being redeemed (if any) as identified in the Bond Indenture(s).
- Step 8.a.6: Add to the amount calculated in *Step 8.a.5* the Development Impact Fee Deferral amount applicable to the Parcel, as adjusted for inflation. If Bonds have been issued to finance the Development Impact Fee Deferral, follow *Step 8.a.2* and *8.a.3*, using for *Step 8.a.2* the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax during the Deferral Bonding Period, or (ii) the end of the then-remaining Deferral Bonding Period.
- Step 8.a.7: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 8.a.6*.
- Step 8.a.8: The amount in *Step 8.a.7* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. Partial Prepayments will be calculated as described below:

The amount of any Partial Prepayment is limited to 50 percent of the Full Prepayment amount determined in *Step 8.a.8*. A Partial Prepayment may only be made in an amount equal 50 percent of the Full Prepayment desired by the party making a Partial Prepayment, except that the full amount of Administrative fees and expenses determined in *Step 8.a.7* shall be included in the Partial Prepayment. The Facilities Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to one-half of the Facilities Special Tax that could have been levied before the Partial Prepayment.

9. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the CFO appealing the levy of the Special Tax. The CFO then will promptly review the appeal and, if necessary, will meet with the applicant. If the CFO verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the CFO may make minor, non-substantive administrative and technical changes to the provisions of this RMA that do not materially affect the rate, method of apportionment, or manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land in the CFD that is not a Developed Parcel, also may amend this RMA in any manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land in the CFD, provided such amendment is only applicable to such owner's land and does not reduce the total Maximum Annual CFD Special Tax Revenue.

10. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

Attachment 1

Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)

Assigned Maximum Annual Facilities Special Taxes for Original Parcels for the Base Year of FY 2020-21 (Improvement Area No. 1)

Large Lot Number [1]	Original Parcel(s)	Tax Category	Expected Land Uses		Planned Units per Acre	Assigned Maximum Annual Facilities Special Tax per Unit	Assigned Maximum Annual Facilities Special Tax per Taxable Acre	Assigned Maximum Facilities Special Tax per Large Lot No.
			Acres	Planned Units				
Improvement Area No. 1						[2] [3]	[2] [3]	[2] [3]
DF-1	Por. 498-010-017	LDR	19.90	100	5.03	\$1,873	\$0	\$187,300
DF-2	Por. 498-010-017	LDR	3.16	15	4.75	\$1,873	\$0	\$28,095
DF-20	Por. 498-010-017	MDR	15.46	103	6.66	\$1,665	\$0	\$171,495
DF-50	Por. 498-010-017	Park	2.08	0	0.00	\$0	\$0	\$0
Totals			40.60	218				\$386,890

A-21

att3

[1] Indicates village identifier assigned by City in the Sierra Vista Specific Plan.

[2] This amount may be increased by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[3] If amended to include Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Attachment 2
Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2020-21 (Improvement Area No. 1) [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,873.00	\$0.00
Medium Density Residential (MDR)	\$1,665.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Very Low Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$6,686.00	\$0.00
Business Professional (BP) [2]	\$6,686.00	\$0.00
Community Commercial (CC) [2]	\$6,686.00	\$0.00
Undeveloped Property	\$9,530.00	\$0.00

att2

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Attachment 3
Baseline at Sierra Vista CFD No. 1 (Public Infrastructure)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2020-21 (Improvement Area No. 1) [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event [1]
Residential Uses	<i>per Unit</i>	<i>per Unit</i>
Low Density Residential (LDR)	\$0.00	\$936.50
Medium Density Residential (MDR)	\$0.00	\$832.50
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Very Low Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<i>per Taxable Acre</i>	
Mixed Use (MU) [2]	\$0.00	\$3,343.00
Business Professional (BP) [2]	\$0.00	\$3,343.00
Community Commercial (CC) [2]	\$0.00	\$3,343.00
Undeveloped Property	\$0.00	\$0.00

att4

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

PROPOSED BOUNDARY MAP
 CITY OF ROSEVILLE
 BASELINE AT SIERRA VISTA
 COMMUNITIES FACILITIES DISTRICT NO. 1
 (PUBLIC FACILITIES)

CITY OF ROSEVILLE • PLACER COUNTY • CALIFORNIA
 BEING A PORTION OF SECTION 36, T.11 N., R.5 E., M.D.M.

CITY CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA THIS ____ DAY OF _____ 2020.

 SONIA OROZCO, CITY CLERK
 CITY OF ROSEVILLE
 PLACER COUNTY, CALIFORNIA

CITY CLERK'S MAP STATEMENT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF BASELINE AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 2020 BY IT'S RESOLUTION NO. _____.

 SONIA OROZCO, CITY CLERK
 CITY OF ROSEVILLE
 PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT

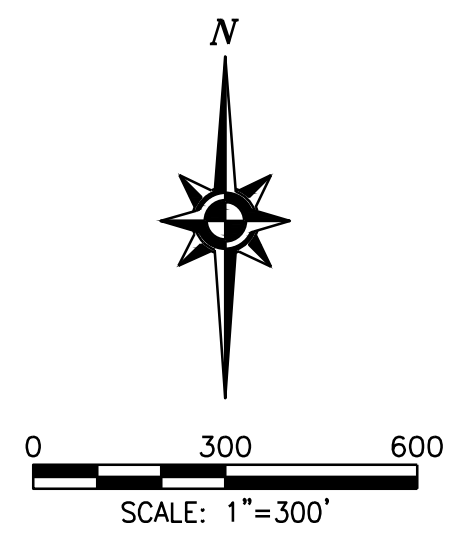
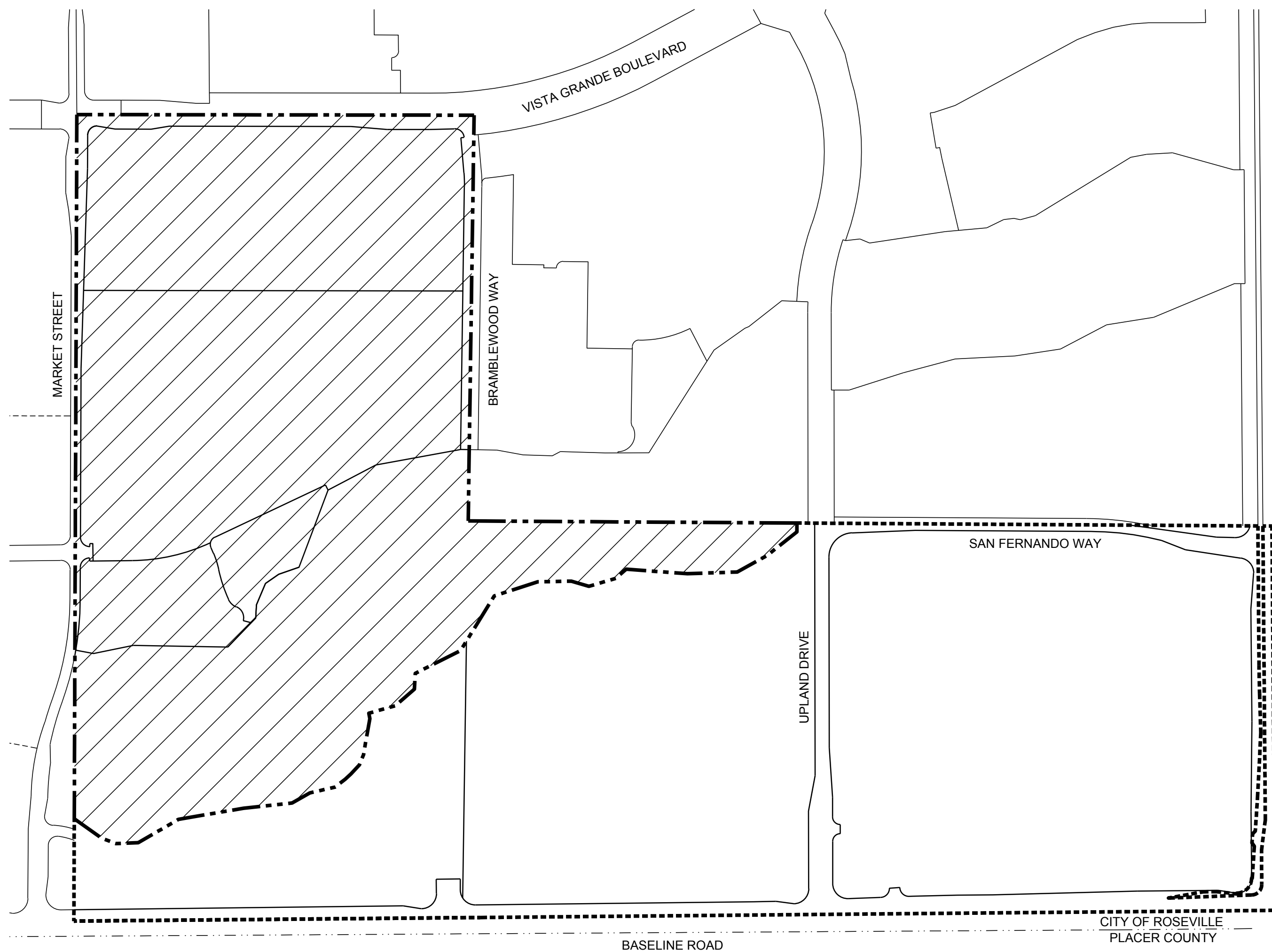
FILED THIS ____ DAY OF _____, 2020, AT THE HOUR OF __ O'CLOCK __ M. IN BOOK ____ OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOCUMENT NO. _____

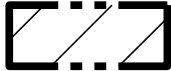

FEE: _____

BY: _____

RYAN RONCO
 COUNTY RECORDER
 COUNTY OF PLACER



LEGEND

-  PROPOSED CFD BOUNDARY
-  AREAS OF FUTURE ANNEXATION

Map 1

MACKAY & SOMPS
 ENGINEERS PLANNERS SURVEYORS
 1025 Creekside Ridge Drive, Suite 150, Roseville, CA 95678 (916) 773-1189

AUGUST 2020

SHEET 1 OF 1 18476.DF20



EXHIBIT B:
List of Authorized Facilities

EXHIBIT B

City of Roseville
Baseline at Sierra Vista
Community Facilities District No. 1
(Improvement Area No. 1)
(Public Facilities)
Placer County, California

LIST OF AUTHORIZED FACILITIES AND SERVICES

Authorized Facilities

Transportation Improvements

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including but not limited to;

- Baseline Road.
- Fiddymment Road.
- Vista Grande Boulevard.
- Upland Drive.
- San Fernando Drive.
- Sierra Village Drive.
- Market Street.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary

underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to, Specific Plan Parcels FD-63 or JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).
- Recycled Water Storage Tank Facility
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for RW tank(s) required by DA Section 3.9.

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways.

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the Sierra Vista Specific Plan (SVSP) Solid Waste Recycling Center (DA Section 3.14.7).

Park, Landscape Corridor and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites planned on Specific Plan Parcel DF-50.
- Construction of Paseos.

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on-and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements related to Specific Plan Parcels DF-70, DF-71, DF-72, DF-80, and DF-81.
- Wetland creation mitigation, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including but not limited to:

- SVSP Electric Substation site acquisition, and improvements required by DA Section 3.11.3.
- Temporary overhead 12kV lines to loop SVSP substation to line in WRSP Phase 3 and 4.

Other Public Facilities

Authorized facilities include any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including, but not limited to:

- Fire station reimbursement obligations in DA Section 3.23.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities, wetland/Species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; Sierra Vista Specific Plan planning, legal, engineering, technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

Authorized Services

The authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for a replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD.