Economic & Planning Systems
Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

HEARING REPORT

LONGMEADOW PARKSIDE COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

Prepared for:

City of Roseville

Prepared by:

Economic & Planning Systems, Inc.

October 6, 2005

EPS #14749

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Longmeadow Parkside Community Facilities District No. 1 (Public Facilities)
October 6, 2005

This hearing report was prepared by Economic & Planning Systems, Inc., (EPS) a firm specializing in real estate economics, regional economics, public finance, and land use policy. The report (EPS #14749) was commissioned by the City of Roseville.

Tim Youmans served as principal-in-charge and oversaw all aspects of the assignment. Russ Powell served as project manager and prepared the hearing report.

The analyses, opinions, recommendations, and conclusions of this report are EPS's informed judgment based on market and economic conditions as of the date of this report. Changes in the market conditions or the economy could change or invalidate the conclusions contained herein. The contents of this report are based, in part, on data from secondary sources. While it is believed that these sources are accurate, EPS cannot guarantee their accuracy. The findings herein are based on economic considerations and, therefore, should not be construed as a representation or as an opinion that government approvals for development can be secured. Conclusions and recommended actions contained in this report should not be relied upon as sole input for final business decisions regarding current and future development and planning, nor utilized for purposes beyond the scope and objectives of the current study.

Questions regarding the information contained herewith should be directed to:

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I. INTRODUCTION

BACKGROUND

The Longmeadow at Crocker Ranch (Longmeadow) subdivision consists of approximately 544 single-family residential lots on approximately 78.7 acres. The Longmeadow development also will consist of a 3-acre park site and 8.1 acres of open space. Village 2 Phase 4 of Longmeadow could be acquired by the Roseville City School District for the construction of an elementary school. If this site is acquired for school uses, there will be a loss of 72 residential units. The subdivision is located in the western portion of the City of Roseville (City), north of Blue Oaks Boulevard and east of Woodcreek Oaks Boulevard.

Parkside Estates (Parkside) (formerly known as Dunmore Junction) is a 35-lot subdivision on approximately 8.8 acres located at the southeast quadrant of Junction Boulevard and Porter Drive, in the western part of the City. There are no other land uses, such as parks or open space, associated with this development project.

The tentative map (Tentative Map 03-06) for Longmeadow was approved by the City Planning Commission March 11, 2004. The City recorded final maps for Village 1 and Village 2 Phase 1, creating 289 single-family lots in Longmeadow. There are 61 homes under construction in Village 2 Phase 1.

The tentative map (Tentative Map SUBD 02-11) for Parkside was approved by the Planning Commission in August 2003, and a final map creating 35 single-family residential lots was recorded December 15, 2004, in Book AA of Maps, Page 16. The developer is building homes in Parkside.

The developer of these two projects, John Mourier Construction, Inc., has begun construction of public infrastructure and facilities required to serve these residential developments. Public infrastructure and facilities required to serve the site and contributions to citywide facilities may be partially funded through the formation of a Mello-Roos Community Facilities District. The City Council adopted the Resolution of Intention to form Longmeadow Porter Community Facilities District No. 1 (Public Facilities) at the regular meeting of August 17, 2005. City staff will recommend that the name of the Community Facilities District be changed to Longmeadow Parkside Community Facilities District No. 1 (Public Facilities) (CFD) to reflect the names of the two subdivisions included in the boundaries of the CFD. The Resolution of Formation is scheduled for consideration of the City Council on October 19, 2005. This report serves as the Hearing Report required under the Mello-Roos Act.

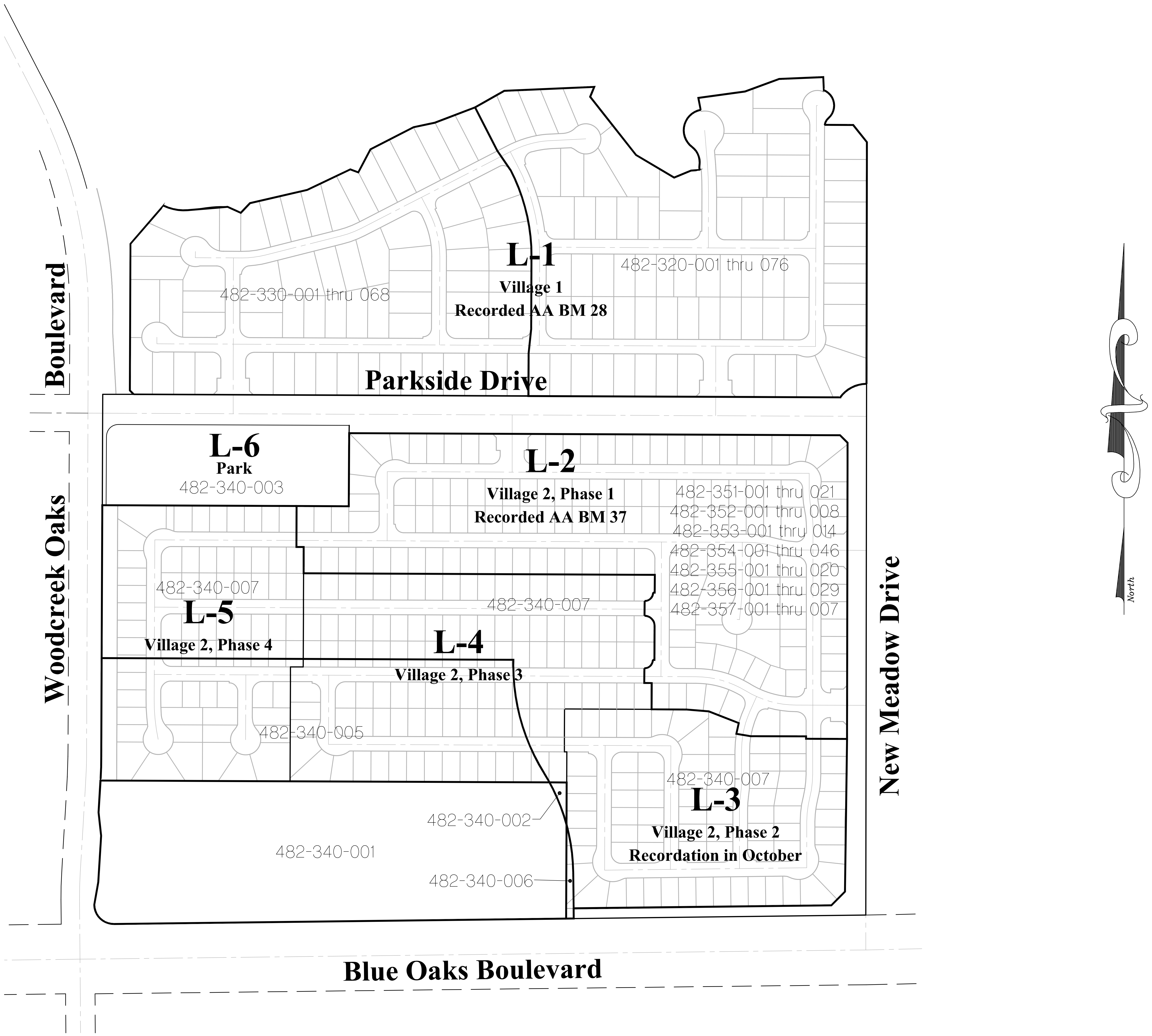
PURPOSE OF THE CFD

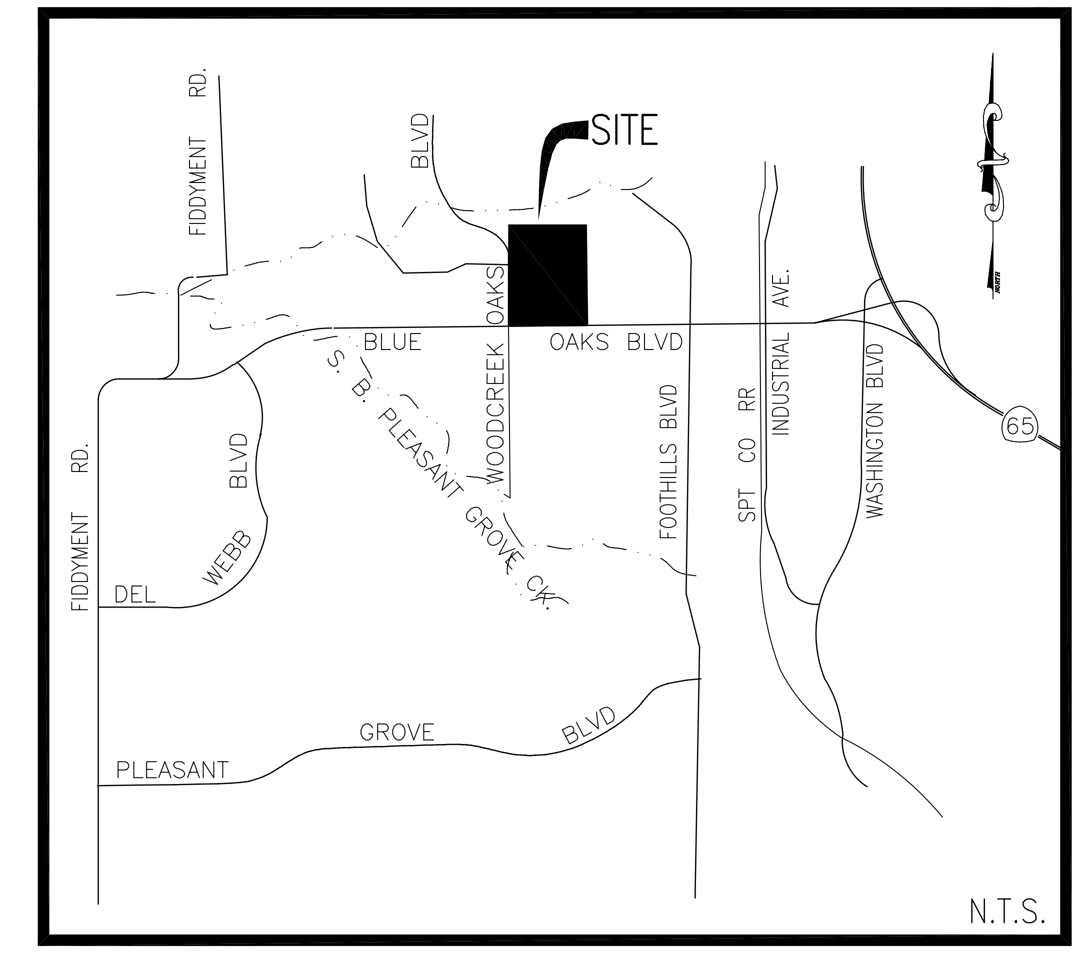
The CFD is being formed to fund major road improvements serving the Longmeadow and Parkside developments and other public infrastructure and facilities required as a condition of the City's approval of the development project. Authorized to issue up to $9.0 million in CFD bonds, the CFD is estimated to fund approximately $7.6 million of the approximately $8.0 million in authorized facilities costs of the CFD. **Map 1** shows the proposed boundaries of the CFD.

ORGANIZATION OF THE REPORT

This report consists of six chapters including this introduction. **Chapter II** describes the land uses in the CFD. **Chapter III** describes the public facilities to be funded in the CFD. **Chapter IV** discusses the proposed bond issue and the maximum annual special tax. **Chapter V** describes the structure of the CFD and the Rate, Method of Apportionment, and Manner of Collection of Special Tax (also may be known as the Special Tax Formula). **Chapter VI** discusses the feasibility of the CFD.

Two exhibits are attached to this report. **Exhibit A** is the Rate, Method of Apportionment, and Manner of Collection of Special Tax. **Exhibit B** is the List of Authorized Facilities.





LOCATION MAP

City of Roseville

Longmeadow Parkside

(formerly recorded as Longmeadow Porter)

Community Facilities District No. 1

(Public Facilities)

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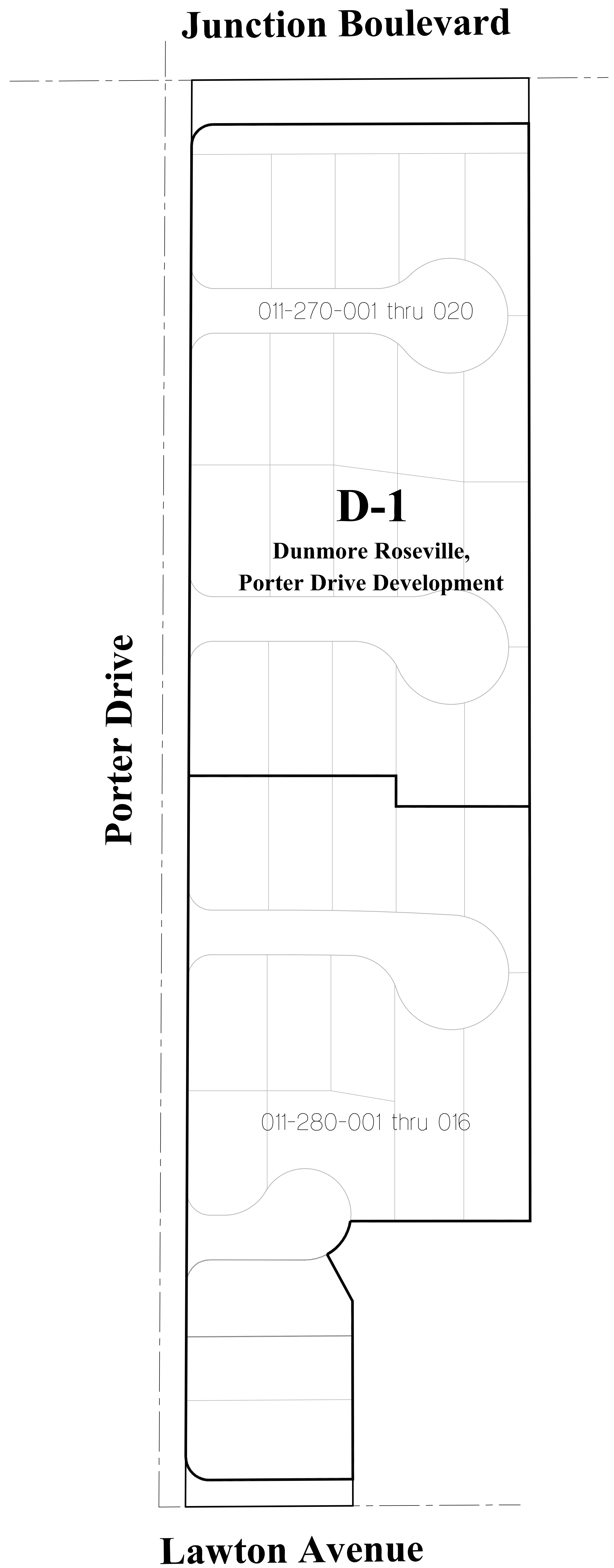

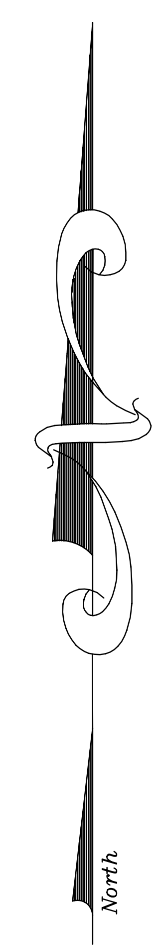

Proposed Boundary Map

City of Roseville

Longmeadow Parkside

(formerly recorded as Longmeadow Porter)

Community Facilities District No. 1
(Public Facilities)

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II. LAND USE

The Longmeadow subdivision includes both residential and public land uses. Of the 544 single-family residential units proposed for Longmeadow, 144 are designated as low-density residential units on 32.9 acres, and the remaining 400 units are planned as medium-density residential units on 45.8 acres. There will be 32 medium-density residential parcels designated at "affordable housing units" for low- and medium-income households. Of the 32 affordable housing units, 28 will be located in Village 2 Phase 1. The remaining 4 affordable housing units will be located in Village 2 Phase 4. The Roseville City School District has an option through December 1, 2005, to purchase Village 2 Phase 4 for an elementary school site. This option will likely be extended to mid-2006. If the school district acquires this portion of Longmeadow for an elementary school, there will be a net loss of 72 single-family residential units. Village 2 Phase 4 is proposed to have 70 single-family residential units; however, a road in Village 2 Phase 1 would have to be rerouted if a school is constructed on Village 2 Phase 4, resulting in the loss of two additional residential units. And if the school district exercises it option to purchase this site, the developer will not be required to offer the 4 affordable housing units that are associated with Village 2 Phase 4.

In addition to single-family dwelling units in Longmeadow, the subdivision includes a 3.0-acre park site and 8.1 acres of open space. The 8.1 acres of open space will be excluded from the boundaries of the CFD.

The Parkside subdivision includes 35 single-family residential lots on 8.8 acres. There are no other land uses proposed for Parkside. Land uses proposed for inclusion in the CFD are shown in **Table 1**.

Final maps have been recorded for Longmeadow Village 1, Village 2 Phase 1, and Parkside as of the time of this report. Longmeadow Village 1 was recorded April 26, 2005, creating 144 single-family residential units. Longmeadow Village 2 Phase 1 was recorded June 14, 2005, creating 145 single-family residential units. The Dunmore Roseville, Porter Drive (Parkside) final map was recorded December 15, 2004, creating 35 single-family residential units.

Table 1
Longmeadow Parkside CFD No. 1 (Public Facilities)
Land Uses

Land Use	Phase	Map Designation	Acres	Units
__Taxable Uses__				
Residential				
Longmeadow				
Village 1 [1]		L-1	32.9	144
Village 2 [2] [3]	Phase 1	L-2	16.5	145
Village 2	Phase 2	L-3	8.7	76
Village 2	Phase 3	L-4	12.4	109
Village 2 [4]	Phase 4	L-5	8.2	70
Subtotal Longmeadow				**544**
Parkside Estates [5]		D-1	8.8	35
Subtotal Residential			**87.5**	**579**
__Public Uses__				
Park Site		L-6	3.0	
Subtotal Public Uses			**3.0**	
Total			**90.5**	**579**

"land_use"

Source: Baker-Williams Engineering Group, and EPS.

[1] A final map creating 144 single-family residential lots was recorded April 26, 2005.

[2] A final map creating 145 single-family residential lots was recorded June 14, 2005.

[3] 28 lots in this village have been designated as "affordable units."

[4] The Roseville City School District has the option to purchase Village 2, Phase 4. If the school district exercises this option, the 70 single-family residential lots proposed for this village will not be created. Further, two other single-family residential lots will not be created in adjoining subdivisions to accommodate the school site.

[5] A final map creating 35 single-family residential lots was recorded December 15, 2004.

III. AUTHORIZED FACILITIES, INFRASTRUCTURE, AND FACILITY COST

The infrastructure- and facility-funding program will allow development of Longmeadow and Parkside in a timely fashion. This chapter describes the infrastructure and facilities to be financed, the cost of these items, and how these costs have been allocated among the funding sources.

AUTHORIZED FACILITIES

The description of authorized facilities discussed below is intended to serve as a general guide in determining the public capital facilities which are authorized to be wholly or partially financed with the proceeds of the special tax and the proceeds of sale of the special tax bonds of the CFD. All items discussed below are authorized facilities under the CFD, provided that they have an estimated useful life of 5 years or longer. The List of Authorized Facilities discussed below is found in **Exhibit B** of this report.

ROADWAY IMPROVEMENTS

Roadway Improvements include improvements to local and the collector roads approved by the City to be funded through the CFD. Improvements may include: roadway design, project management, grading, and construction of roadways, including curbs, gutters, sidewalks, pavement, street lighting, dry utilities, landscaping, soundwalls, and other miscellaneous improvements.

REGIONAL PUBLIC IMPROVEMENTS

These facilities are regional public improvements, such as roadways, drainage system improvements, wastewater system improvements, water system improvements, park improvements, and other capital improvements for which developer impact fees are payable to the City pursuant to approved ordinances or resolutions upon issuance of a building permit or final map approval for development in the CFD.

OTHER EXPENSES

The above listed types of facilities are proposed to include incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning, engineering, and designing the facilities (including the cost of environmental evaluation thereof); costs associated with the creation of the CFD, issuance of bonds, and determination of the amount of taxes and the collection and payment thereof; costs otherwise incurred to carry out the authorized purposes of the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities.

INFRASTRUCTURE AND FACILITY COSTS

Approximately $8.0 million in public infrastructure and facilities are required to construct authorized facilities of the CFD. **Table 2** shows a summary of improvements by category of the total facility costs for the development. Longmeadow will require more public infrastructure and facility improvements to develop the subdivision. Therefore, most of the infrastructure and facility costs of the CFD are associated with Longmeadow.

Longmeadow requires approximately $5.3 million in "hard costs" for improvements to Blue Oaks Boulevard, Parkside Drive, and New Meadow Drive. As of the writing of this report, contracts had been issued for construction of roadway improvements shown in **Table 2**. Therefore, while the costs in **Table 2** are considered to be estimates, they should be very close to the actual costs of construction. "Soft costs" associated with these Longmeadow construction projects include engineering, plan check, inspection, construction staking, and project management. The soft costs are estimated to be $1.0 million.

The developer has entered into a Development Agreement with the City. Under the Development Agreement, the City could allow the funding of certain development impact fees for public infrastructure and facilities through CFD bond proceeds or proceeds from special taxes. The developer has identified approximately $1.5 million in certain development impact fees that will be eligible for CFD bond or special tax funding. The two fees, shown in **Table 2**, are the community benefit fee and citywide park in-lieu fee for each home in Longmeadow.

Improvements associated with the Parkside development are hard costs related to dry utility trench costs and fees, and landscaping along the front of the subdivision. Total hard costs are approximately $98,000, and soft costs are approximately $18,000.

The developer proposed funding development impact fees for Parkside under the CFD. The City generally prefers to fund development impact fees under the California Statewide Communities Redevelopment Authority (CSCDA) Statewide Community Infrastructure Program (SCIP). Under SCIP, the City may allow a developer to finance development impact fees through assessment bonds issued by CSCDA. An assessment lien is placed against the benefiting parcels and the assessment bonds repaid through an annual assessment against the parcel. Through this program the developer will fund development impact fees for Parkside.

SOURCES OF FUNDS

Table 2 also details the proposed funding sources for these improvements. Approximately $7.6 million will be funded by the CFD bonds. Proceeds of the CFD bonds will be deposited in a construction fund and as discreet components of the public infrastructure and facilities are completed, the developer will request the City to acquire the completed components from the developer. The construction fund will accrue interest earnings as the fund is drawn down. The interest earnings have been estimated by the developer to be approximately $83,000. These interest earnings will augment the construction fund and allow the City to acquire additional infrastructure or facilities. The City has agreed (under the Special Tax Formula) to levy 100 percent of the maximum annual special tax for the first five fiscal years in which the special tax is levied and collected. That amount of special tax revenues not needed to fund CFD bond debt service, CFD administrative expenses, and special tax delinquency coverage will be made available for "pay-as-you-go expenditures." The special tax revenue over a five-year period for pay-as-you-go expenditures is estimated to be $107,000. The developer will fund the approximately $173,000 in remaining costs.

Table 2
Longmeadow Parkside CFD No. 1
Estimated Costs for Improvements (2005 $s)

Description	Longmeadow	Parkside	Total Costs
CFD Hard Construction Costs			
Blue Oaks Boulevard			
Blue Oaks Boulevard @ HP	$150,009	$0	$150,009
Blue Oaks Boulevard and Woodcreek Oaks	$683,436	$0	$683,436
Blue Oaks Boulevard and Woodcreek Oaks (remaining work)	$317,666	$0	$317,666
Blue Oaks Boulevard @ W44	$965,067	$0	$965,067
Parkside Drive			
Parkside and 1/2 New Meadow	$1,138,210	$0	$1,138,210
New Meadow @ W44	$310,702	$0	$310,702
Dry Utility Trench Costs/Fees (Roseville Electric)	$252,758	$20,000	$272,758
Dry Utility Trench Costs/Fees (Lupton Excavation)	$277,327	$0	$277,327
Landscaping	$439,259	$31,844	$471,103
Masonry Wall / Entry Features	$690,721	$46,224	$736,945
Masonry Wall / Entry Features (Village 2 Phase 4)	$109,781	$0	$109,781
Subtotal CFD Hard Construction Costs	**$5,334,936**	**$98,068**	**$5,433,004**
CFD Soft Construction Costs			
Engineering @ 4.5%	$240,072	$4,413	$244,485
Plancheck and Inspection @ 4%	$213,397	$3,923	$217,320
Construction Staking @ 1.5%	$80,024	$1,471	$81,495
Project Management @ 4%	$213,397	$3,923	$217,320
Contingency @ 5%	$266,747	$4,903	$271,650
Subtotal CFD Soft Construction Costs	**$1,013,638**	**$18,633**	**$1,032,271**
Impact Fees			
Community Benefit Fee	$647,360	$0	$647,360
City-Wide In-Lieu Park Fees	$878,000	$0	$878,000
Subtotal Impact Fees	**$1,525,360**	**$0**	**$1,525,360**
TOTAL AUTHORIZED FACILITIES COSTS	**$7,873,934**	**$116,701**	**$7,990,635**
Sources of Funds			
CFD Bond Proceeds [1]	**$7,496,948**	**$130,759**	**$7,627,707**
Construction Period Interest Income from Construction Fund [2]	**$76,303**	**$6,628**	**$82,931**
Pay-As-You-Go Special Tax Proceeds [3]	**$107,492**	**$0**	**$107,492**
Developer Shortfall Obligation	**$193,190**	**($20,686)**	**$172,505**
Total Proceeds - All Sources	**$7,873,934**	**$116,701**	**$7,990,635**

"Costs"

Source: John Mourier Construction, Inc.

[1] Provided by Stone & Youngberg LLC. Bond proceeds allocated to Longmeadow and Parkside based on percentage of special tax contributions to CFD.

[2] Calculated by John Mourier Construction, Inc.

[3] See **Table 4**.

IV. Proposed Bond Issue and Maximum Annual Special Tax

INFRASTRUCTURE- AND FACILITY-FUNDING PROGRAM

Funding of the $8.0 million in project infrastructure and facility CFD costs will come from four primary sources:

- CFD bonds;
- Construction period interest income from the construction fund;
- Pay-as-you-go special tax proceeds; and
- Developer funding.

Each of these funding sources is described below.

CFD BONDS

One CFD bond issue is anticipated. This bond issue is estimated by Stone & Youngberg LLC to be for approximately $9.0 million, an amount which produces an estimated $7.6 million in proceeds. This bond issuance is to be supported by the special tax revenues levied against all taxable parcels. **Table 3** shows the total estimated bond and bond proceeds for the proposed bond issue. The total bond issue will be based on the appraisal of the CFD land uses and the ability of the special tax revenue to support the annual CFD costs.

The actual amount of total bond proceeds from all bond issuances will be dependent on the reserve fund requirement, the costs of issuance, the underwriter's discount, and the bond interest rate. The estimate of $7.6 million in bond proceeds from the bond issuance is based on an assumption of a 6.60-percent bond reserve fund requirement, an estimated cost of bond issuance of $285,000, an estimated underwriter's discount of 1.5 percent, and 11 months' capitalized interest. The actual proceeds from bonds will be determined by the actual reserve fund requirement, the costs of issuance, the underwriter's discount, and the bond interest rate at the time of the bond sale.

Reserve fund requirements are determined by the lesser of the three calculations:

- Ten percent of par value of bonds issued.
- One hundred percent of maximum gross debt service for a fiscal year.
- One hundred twenty-five percent of average gross debt service.

Table 3
Longmeadow Parkside CFD No. 1 (Public Facilities)
Estimated CFD Bonds and Bond Proceeds

Item	Assumptions	Amount
Estimated Total Bonds		
Par Amount		$9,000,000
Capitalized Interest until 9/1/06	*3.98%*	$358,573
Reserve Fund Requirement	*6.60%*	$593,720
Issuance Costs	*3.17%*	$285,000
Underwriter's Discount	*1.50%*	$135,000
Estimated Bond Proceeds		**$7,627,707**

Bond Assumptions

True Interest Cost	5.21%	
Bond Term	30	Years

"bonds"

Source: Stone & Youngberg LLC

BOND AUTHORIZATION

The bond authorization for the CFD is $11.5 million. This amount represents the maximum amount of bonds that can be issued by the CFD with the exception of bonds attributable to costs associated with any refunding. The $11.5 million authorization provides a safety level above the estimated bond debt of $9.0 million for one bond issuance, as shown in **Table 3**. This amount will allow for inflation and the ability to acquire or construct additional eligible facilities that may need to be funded by the CFD if other planned funding sources are not available on a timely basis or if costs exceed current estimates.

CONSTRUCTION PERIOD INTEREST INCOME

Table 2 identified an estimated amount of $83,000 would be available from interest earnings on the CFD bond construction fund. CFD bonds are estimated to be issued in late 2005. Once CFD bond proceeds are available to acquire authorized facilities, the developer will begin submitting requests to the City, under the terms of the Acquisition Agreement, to acquire discreet segments of completed authorized facilities. The $7.6 million in estimated CFD bond proceeds will be drawn down over a period of time as authorized facilities are acquired. The cash balance in the CFD bond proceeds construction fund will be invested and earn interest over this period. Interest earnings on the construction fund are made available to acquire more authorized facilities.

PAY-AS-YOU-GO SPECIAL TAX PROCEEDS

Table 2 identified an amount of approximately $107,000 from "pay-as-you-go" special tax proceeds to acquire authorized facilities as a portion of the CFD authorized facilities funding sources. The City has authorized the CFD to levy the special tax at the maximum rate for the first five fiscal years in which the special tax is levied. Special tax proceeds not needed to fund debt service on the CFD bonds, administrative expenses, and cover special tax delinquencies, will be made available to acquire authorized facilities. Interest earnings on the CFD bond reserve fund will increase the amount of special tax revenue available in each of the first five fiscal years in which the special tax is levied.

Table 4 shows the estimated special tax proceeds in each of the five fiscal years and calculation of the present value of that revenue stream that is shown in **Table 2**. The special tax revenue when the special tax is levied at 100 percent for all taxable parcels is $653,344 annually. The City estimates that $50,000 will be required for administrative expenses in each fiscal year. Annual debt service is estimated to be $593,720. This is the

Table 4
Longmeadow Parkside CFD No. 1 (Public Facilities)
Estimated Special Tax Revenue from Pay As You Go [1]

Fiscal Year Ending	Period	Annual Special Tax Revenue [2]	Less CFD Administration Expense	Estimated Annual Debt Service	Earnings on Reserve Fund [3]	Net Annual Special Tax Revenue [4]	Cumulative Special Tax Revenue for PAYG
			9.25%		2.00%		
		A	B	C	D	E=A-B-C+D	
2007	1	$653,344	$50,000	$593,720	$11,874	$21,498	$21,498
2008	2	$653,344	$50,000	$593,720	$11,874	$21,498	$42,997
2009	3	$653,344	$50,000	$593,720	$11,874	$21,498	$64,495
2010	4	$653,344	$50,000	$593,720	$11,874	$21,498	$85,994
2011	5	$653,344	$50,000	$593,720	$11,874	$21,498	$107,492
					Total	**$107,492**	

"pay_as_you_go"

[1] The developer requests the use of the net annual special tax revenue from the levy of the special tax on Longmeadow parcels for "pay-as-you-go" projects not funded by CFD bonds. The City has allowed a 5 year "pay-as-you-go" period.

[2] The annual special tax revenue for the CFD is not increased.

[3] Developer proposes that interest earnings on the bond reserve fund (estimated at 2% annually) be used to fund "pay-as-you-go" expenditures during the 5 year "pay-as-you-go" period.

[4] Net special tax revenue is the total special tax levy in each year less annual debt service, an approximate CFD administration expense of 9.25% of the total levy, plus earnings from the Reserve Fund.

highest amount of debt service estimated to be paid in the first five fiscal years in which the special tax is levied (see **Table 5**). A conservative estimate of interest rate for interest earnings on the CFD bond reserve fund is 2 percent. The CFD bond reserve fund is established at an amount equal to 100 percent of the maximum annual debt service requirement, or $593,720. Therefore, estimated interest earnings on the CFD bond reserve fund is $11,874 ($593,720 x .02 = $11,874). By adding the interest earnings to the special tax levy, then subtracting annual debt service costs and CFD administrative expenses, nets $21,498 in each fiscal year that will be available to fund pay-as-you-go expenditures for authorized facilities.

DEVELOPER FUNDING

The estimated remaining $172,505 in CFD project costs will be funded by the developer. The developer has identified existing cash reserves for the $172,505 required to complete construction of the CFD project. There are more development costs associated with the Longmeadow and Parkside developments which the developer must fund from other sources. The authorized facilities of the CFD represent only those development costs that are eligible to be funded through the CFD special tax and CFD bond proceeds.

If interest rates are lower than assumed, allowing for the issuance of bonds beyond the estimated $7.6 million, more construction proceeds will be available and the developer's share of funding improvements will be reduced.

ANNUAL CFD COSTS

Annual CFD costs are those costs authorized for funding by the annual levy of the special tax. The maximum annual special tax is calculated so that annual CFD costs will be paid by the proceeds of the levy of the special tax up to the maximum amount in each fiscal year that these costs occur.

Annual costs funded by special tax collections consist of the following components:

- Debt service on the bonds, which is the annual payment of interest and principal to bond holders;
- Annual cost of administering the CFD;
- Additional costs to replenish the bond reserve fund if necessary;

Table 5
Longmeadow Parkside CFD No. 1 (Public Facilities)
Estimated CFD Bond Debt Service and Special Tax Coverage

Year		Estimated Debt Service	Estimated Administrative Costs	Less Estimated Reserve Fund Credit	Estimated Total Annual Revenue Requirement	Estimated Maximum Special Tax Revenue	Maximum Annual Special Tax Coverage Debt Service
		[1]	[2]	[3]			
2006	[4]	$358,573	$0	$0	n/a	n/a	n/a
2007		$593,595	$50,000	($11,874)	$631,721	$653,344	110.07%
2008		$589,095	$50,000	($11,874)	$627,221	$653,344	110.91%
2009		$589,145	$50,000	($11,874)	$627,271	$653,344	110.90%
2010		$593,720	$50,000	($11,874)	$631,846	$653,344	110.04%
2011		$592,533	$50,000	($11,874)	$630,658	$653,344	110.26%
2012		$590,733	$50,000	($11,874)	$628,858	$653,344	110.60%
2013		$593,558	$50,000	($11,874)	$631,683	$653,344	110.07%
2014		$590,695	$50,000	($11,874)	$628,821	$653,344	110.61%
2015		$592,240	$50,000	($11,874)	$630,366	$653,344	110.32%
2016		$593,240	$50,000	($11,874)	$631,366	$653,344	110.13%
2017		$593,580	$50,000	($11,874)	$631,706	$653,344	110.07%
2018		$593,240	$50,000	($11,874)	$631,366	$653,344	110.13%
2019		$592,200	$50,000	($11,874)	$630,326	$653,344	110.32%
2020		$590,440	$50,000	($11,874)	$628,566	$653,344	110.65%
2021		$592,940	$50,000	($11,874)	$631,066	$653,344	110.19%
2022		$589,293	$50,000	($11,874)	$627,418	$653,344	110.87%
2023		$590,130	$50,000	($11,874)	$628,256	$653,344	110.71%
2024		$590,195	$50,000	($11,874)	$628,321	$653,344	110.70%
2025		$589,488	$50,000	($11,874)	$627,613	$653,344	110.83%
2026		$593,008	$50,000	($11,874)	$631,133	$653,344	110.17%
2027		$590,498	$50,000	($11,874)	$628,623	$653,344	110.64%
2028		$592,215	$50,000	($11,874)	$630,341	$653,344	110.32%
2029		$592,903	$50,000	($11,874)	$631,028	$653,344	110.19%
2030		$592,560	$50,000	($11,874)	$630,686	$653,344	110.26%
2031		$591,188	$50,000	($11,874)	$629,313	$653,344	110.51%
2032		$593,350	$50,000	($11,874)	$631,476	$653,344	110.11%
2033		$589,200	$50,000	($11,874)	$627,326	$653,344	110.89%
2034		$589,000	$50,000	($11,874)	$627,126	$653,344	110.92%
2035		$592,488	$50,000	($11,874)	$630,613	$653,344	110.27%
2036		$589,400	$50,000	($11,874)	$627,526	$653,344	110.85%

"coverage"

[1] Provided by Stone & Youngberg LLC.
[2] The City assumes that $50,000 will be required annually to pay the administrative costs of the CFD.
[3] Assumes a 2.0% earnings on the bond reserve fund.
[4] Interest only payment made from capitalized interest.

- Tax delinquencies. Provisions for delinquencies are necessary because some taxpayers may not pay their tax bills promptly; and
- Pay-As-You-Go Expenditures.

It is estimated that there will be one bond issuance for the CFD in 2005. Based on an estimation of the special tax revenues available to cover annual costs, **Table 5** shows the estimated annual debt service, as provided by Stone & Youngberg LLC. The debt service costs shown in **Table 5** support bond proceeds reported in **Table 3**. CFD maximum annual special tax revenue should cover the debt service costs in each fiscal year by no less than 110 percent. As shown in **Table 5**, CFD maximum revenue is at least 110 percent of debt service costs in all years in which bonds are outstanding.

The Special Tax Formula is designed to provide revenue sufficient to cover the annual CFD cost in any year in which bonds are outstanding. Based on the proposed debt service and administrative expenses shown in **Table 5**, the special tax will be levied at near maximum in all years that there are annual CFD costs. Annual CFD costs will be discussed in further detail in **Section 5**.

MAXIMUM ANNUAL SPECIAL TAXES

Table 6 shows the maximum annual special taxes for "original parcels." **Table 6** corresponds to **Attachment 1** of the Special Tax Formula. Planned residential lots are assigned to each original parcel. Each planned residential lot is assigned a maximum annual special tax per unit (or lot). The maximum annual special tax for an original parcel is calculated by multiplying the number of planned residential lots assigned to the parcel by the maximum annual special tax per unit for the parcel.

Village 1 of Longmeadow contains low-density residential uses and is assigned a maximum annual special tax of $1,584 per unit for "market rate units." Village 2 of Longmeadow contains both market rate units and "affordable units." Market rate units in Village 2 of Longmeadow are assigned a maximum annual special tax per units of $1,104, while 28 of the 32 affordable units are assigned a maximum annual special tax per unit of $120. The remaining 4 affordable units are associated with Village 2 Phase 4. Village 2 Phase 4 may be purchased by the Roseville City School District as an elementary school site. In this case, the developer will not be required to provide the 4 affordable units. In the event the school district does not exercise its option for Village 2 Phase 4, the 4 affordable units in this village would be assigned a maximum annual special tax per unit of $1,104. The developer will reduce the purchase price of the affordable units to offset the higher maximum annual special tax rate.

DRAFT

Table 6
Longmeadow Parkside CFD No. 1 (Public Facilities)
Maximum Annual Special Tax for Original Parcels [1]

Original Parcel	Description	Unit Type	Planned Residential Lots [2]	Maximum Annual Special Tax per Unit	Maximum Annual Special Tax per Original Parcel [3]
482-320-001 to 076	Village L-1				
482-330-001 to 068	Village L-1	Market Rate Units	144	$1,584	$228,096
482-351-001 to 14	Village L-2	Market Rate Units	14	$1,104	$15,456
482-351-017,018, 021	Village L-2	Market Rate Units	3	$1,104	$3,312
482-354-001, 004 to 007	Village L-2	Market Rate Units	5	$1,104	$5,520
482-354-010 to 013,016 to 025	Village L-2	Market Rate Units	14	$1,104	$15,456
482-354-028 to 031, 034 to 037	Village L-2	Market Rate Units	8	$1,104	$8,832
482-354-040 to 042, 046	Village L-2	Market Rate Units	4	$1,104	$4,416
482-355-001, 005 to 007	Village L-2	Market Rate Units	4	$1,104	$4,416
482-355-011 to 013, 017 to 020	Village L-2	Market Rate Units	7	$1,104	$7,728
482-352-001 to 008	Village L-2	Market Rate Units	8	$1,104	$8,832
482-353-001 to 014	Village L-2	Market Rate Units	14	$1,104	$15,456
482-356-001 to 029	Village L-2	Market Rate Units	29	$1,104	$32,016
482-357-001 to 007	Village L-2	Market Rate Units	7	$1,104	$7,728
482-351-015 to 016, 019 to 020	Village L-2	Affordable Units	4	$120	$480
482-354-002,003,008,009,014,015	Village L-2	Affordable Units	6	$120	$720
482-354-026,027,032,033,038,039,043 to 045	Village L-2	Affordable Units	9	$120	$1,080
482-355-002 to 004, 008 to 010, 014 to 016	Village L-2	Affordable Units	9	$120	$1,080
		Subtotal	**145**		**$132,528**
482-340-007 [4] [5]	Por. L-3, L-4 Por. L-5	Market Rate Units	191	$1,104	$210,864
482-340-005 [4] [5]	Por. L-4, L-5	Market Rate Units	62	$1,104	$68,448

Table 6
Longmeadow Parkside CFD No. 1 (Public Facilities)
Maximum Annual Special Tax for Original Parcels [1]

Original Parcel	Description	Unit Type	Planned Residential Lots [2]	Maximum Annual Special Tax per Unit	Maximum Annual Special Tax per Original Parcel [3]
482-340-006 [4]	Por. L-3	Market Rate Units	2	$1,104	$2,208
011-270-001 to 020 011-280-002 to 016	D-1	Market Rate Units	35	$320	**$11,200**
482-340-003	L-6	Public Parcel [6]	0	$0	**$0**
Totals			**579**		**$653,344**

"att1"

[1] The Maximum Annual Special Tax does not escalate.

[2] There should be no net loss of Maximum Annual Special Tax Revenue. If the number of Planned Residential Lots are not created once final maps have been recorded, the Maximum Annual Special Tax per Unit will increase to ensure that there is no net loss of Maximum Annual Special Tax Revenue.

[3] A Maximum Annual Special Tax is assigned to each Original Parcel. As Original Parcels are Subdivided, Planned Residential Lots are assigned by the Developer to the Successor Parcels created by the Subdivision. If the Developer fails to assign Planned Residential Lots to Successor Parcels, the Administrator will assign the Planned Residential Lots using **Section 5.B.2**.

[4] List of Planned Residential Units assigned to Villages L-3, L-4, and L-5 and corresponding County Assessor's Parcels.

Village L-3	76 Units	por. 482-340-007
Village L-4	109 units	482-340-006, por. 482-340-005 and 007
Village L-5	70 units	por. 482-340-005 and 007

[5] If Village L-5 is sold to the Roseville City School District, the Developer will prepay the Special Tax obligation for 72 Planned Residential Units.

[6] Any Public Parcel or Tax-Exempt Parcels that is converted to taxable uses will be assigned a Maximum Annual Special Tax by multiplying the Taxable Acreage of the Parcel by $8,300.

Parkside consists of 35 market rate units. A maximum annual special tax per unit of $320 has been assigned to these units. The maximum annual special tax for Parkside is set at a rate that will generate adequate special tax revenue to support CFD bonds funding public infrastructure improvements that benefit the Parkside development.

Development impact fees will be funded, in part, for homes built in Parkside through SCIP assessment bonds. An annual special assessment is levied on the benefiting parcels to repay the assessment bonds. This assessment is in addition to the $320 maximum annual special tax to be levied under the CFD.

The maximum special tax revenue available to support debt is shown in **Table 6.** Special taxes of the CFD would generate $653,344 in special tax revenue in each fiscal year. There should be no net loss of special tax revenue as a result of development of the land in the CFD

Changes to any of these assumptions will affect the amount of anticipated construction proceeds from bonds for the project. If interest rates are lower than assumed, more bonds will be issued and more funds will be made available for developer cost reimbursement.

V. STRUCTURE OF THE CFD

DESCRIPTION OF THE CFD

Parcels in the CFD will pay special taxes based on the Special Tax Formula. The attached exhibits contain the formation documents for the CFD. **Exhibit A** is the Special Tax Formula. **Exhibit B** is the description of authorized facilities for the CFD. The purpose of the CFD is to provide funding for the acquisition of all or a portion of the eligible CFD facilities from the project developer.

DEFINITION OF ANNUAL COSTS

Each year, the CFD administrator, defined as the person or firm designated by the City to administer the special taxes, will approve the costs of the CFD for the upcoming fiscal year. The annual costs will include the following items:

- Debt service to be paid from special taxes collected during each year;
- Administrative expenses for each fiscal year;
- The amount needed to replenish the reserve fund for the bonds to the level required under the bond indenture;
- An amount equal to the amount of delinquencies in payments of special taxes levied in the previous fiscal year or anticipated for the current fiscal year;
- "Pay-as-you-go expenditures;" and
- Less any earnings on the reserve fund and special tax fund that are transferred to the bond redemption fund pursuant to the bond indenture.

Debt service is the total amount of bond principal, interest, and any scheduled sinking fund payments, for any bonds of the CFD during a given year. **Table 5** shows the estimated debt service payments for the CFD by bond year.

Administrative expenses are the actual or reasonably estimated costs associated with the administration of the CFD. Examples of these costs are the costs of computing special taxes and preparing the annual special tax collection schedules; the costs of collecting the special taxes; the costs of remitting the special taxes to the trustee; the costs of the trustee (including its legal counsel) in the discharge of the duties required of it under the bond indenture; the costs to the City, the CFD, or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, the CFD, or any designee thereof of complying with the City, the CFD, or obliged persons disclosure requirements associated with preparing special tax disclosure statements and responding to public inquiries regarding the special taxes; the costs of the City, the CFD, or designee thereof related to the appeal of the special tax; and the cost associated with the release of funds from an escrow account, if any. The City estimates that it will need $50,000 annually to administer the CFD.

An amount equal to the amount needed to replenish the bond reserve fund in a given fiscal year is considered when calculating the maximum annual costs. In the event of significant delinquencies in the payment of the special tax levy, the bond reserve fund may need to be used to fund annual debt service. Replenishment of this fund is made through the levy of the special tax in following years.

Because special tax delinquencies will occur annually to some degree, the CFD may levy an amount equal to the expected tax delinquencies for the following fiscal year to ensure the ability to cover annual debt service. An amount equal to past delinquencies may be levied to cover shortfalls in the special tax collection. The annual special tax levy may not exceed the maximum annual special tax.

Pay-as-you-go expenditures will be used in the first five fiscal years in which the special tax is levied to provide additional funding for authorized facilities. That amount of the annual special tax levy that is not needed to fund other annual costs will be made available to acquire authorized facilities. After five years of levying the maximum annual special tax on taxable parcels at 100 percent, it will be the City's sole discretion to continue to levy and collect the special tax for pay-as-you-go expenditures.

DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX

The administrator shall prepare a list of the parcels subject to the special tax by using the records of the County Assessor. The administrator will tax all parcels in the CFD except tax-exempt parcels and parcels that have prepaid their special tax obligation as described in **Section 7** of the Special Tax Formula. Taxable parcels that are acquired by a public agency after the CFD is formed will remain subject to the special tax unless a "trade" resulting in no loss of tax revenue can be made, as described in **Section 5** of the Tax Formula.

TERMINATION OF THE SPECIAL TAX

The special tax will be levied and collected for as long as needed to pay the principal and interest on debt and other costs incurred to construct the authorized facilities and to pay the annual costs. In no event, however, shall the special tax be levied on any parcel in the CFD after Fiscal Year 2039–2040.

When all annual costs incurred by the CFD have been paid, the special tax shall cease to be levied. The administrator shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the special tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

ASSIGNMENT OF MAXIMUM ANNUAL SPECIAL TAX

Section 5 of the Special Tax Formula describes in detail the precise method for assigning the maximum annual special tax to parcels in the CFD. The following paragraphs briefly summarize these procedures.

Each year the administrator will use the definitions contained in the Special Tax Formula to classify each parcel as tax-exempt or taxable. The Special Tax Formula assigns a total maximum annual special tax to all taxable parcels. Original parcels are assigned as "planned residential lots." The planned residential lots are derived from the proposed residential lots planned for development, as shown in an approved tentative map, or other records at formation of the CFD. Each planned residential lot is then assigned a maximum annual special tax per unit. The sum of the maximum annual special tax per unit for planned residential lots assigned to an original parcel is the maximum annual special tax for the original parcel.

As stated in **Chapter II**, final subdivision maps have been recorded for three villages. Individual Assessor's Parcel Numbers (APNs), or "county assessor's parcels," as defined in the Special Tax Formula, have been assigned to these original parcels in **Table 6** (**Attachment 1** of the Special Tax Formula). Original parcels are also "remainder parcels" created by the final subdivision maps. The developer's engineer for Longmeadow has assigned planned residential lots to the remainder parcels, or "large lot parcels," shown in **Table 6.** Each of the original parcels in **Table 6** is assigned a maximum annual special tax per unit. The maximum annual special tax for large lot parcels in **Table 6** is calculated by multiplying the maximum annual special tax per unit assigned to the original parcel times the number of planned residential lots assigned to the parcel.

Remainder parcels will eventually be subdivided into Village 2 Phase 2 through Village 2 Phase 4. Parcels created by the subdivision of original parcels are defined as "successor parcels" in the Special Tax Formula. These subdivisions are anticipated to occur over the next two years. **Map 2** shows the APNs representing original parcels and their relationship to the villages yet to be subdivided.

Amended and Superceded Boundary Map

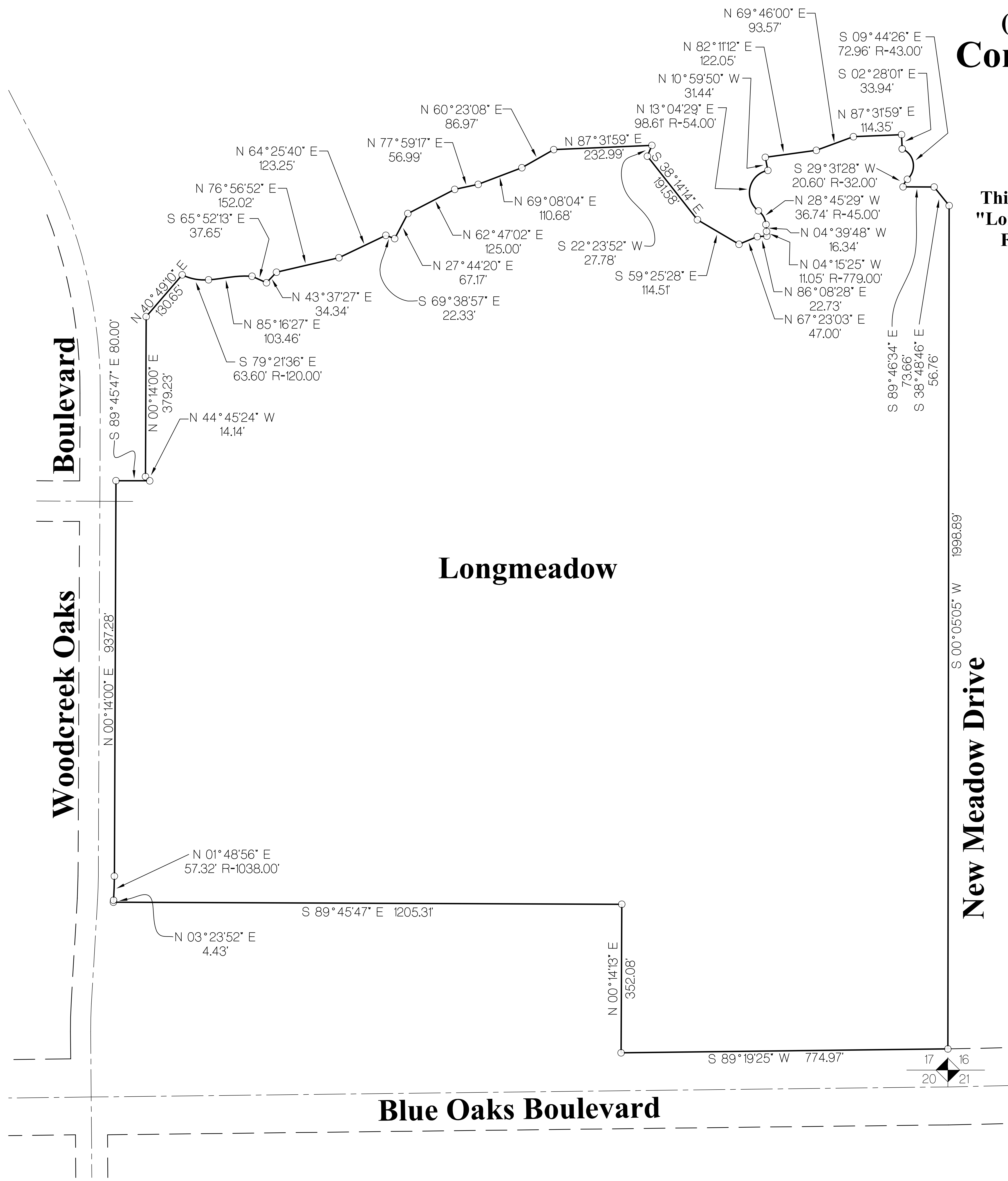
City of Roseville

Longmeadow Parkside

(Formerly recorded as Longmeadow Porter)

Community Facilities District No. 1

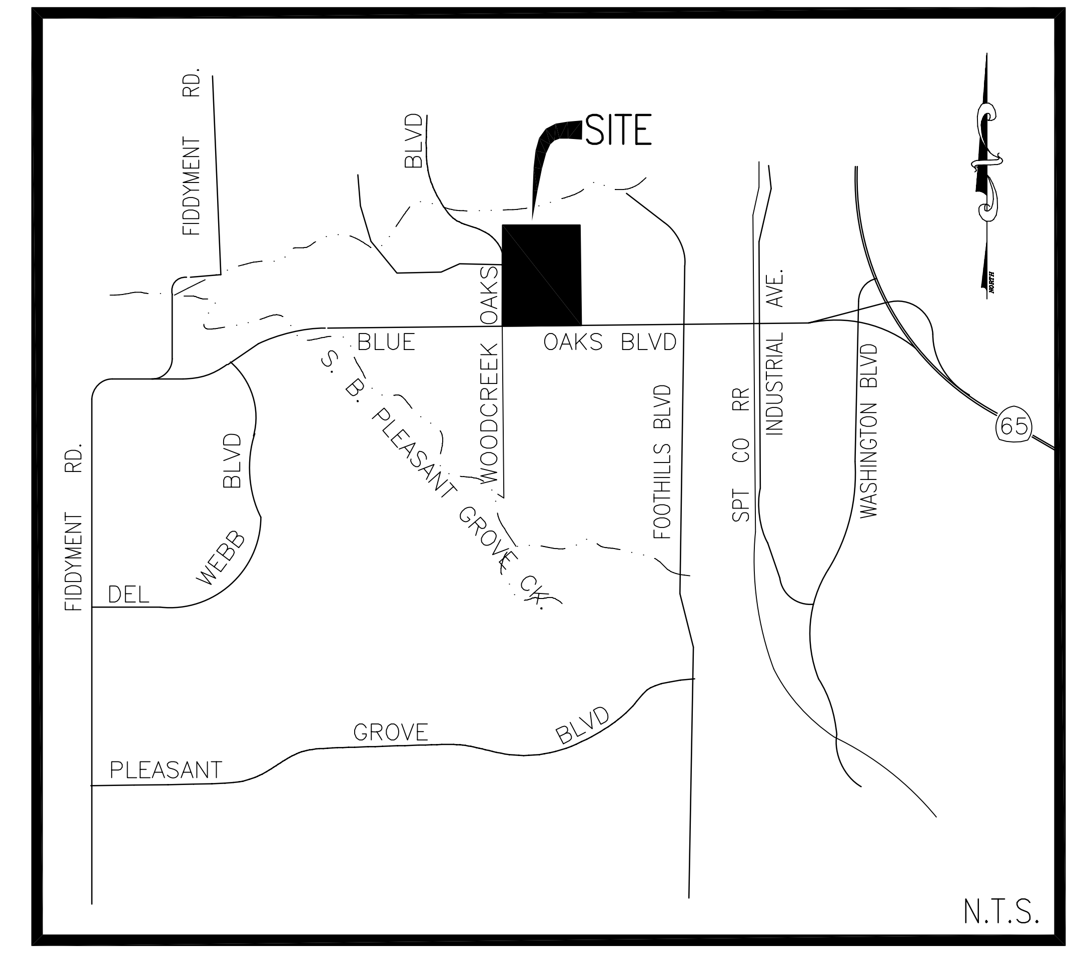
(Public Facilities)



This Boundary Map supercedes that Boundary Map recorded as "Longmeadow Porter Community Facilities District No. 1 (Public Facilities)" on September 16, 2005 in Book 3 of Community Facilities, at Page 55.

City of Roseville, Placer County, State of California
Scale 1" = 200' October 2005

Sheet 1 of 2



LOCATION MAP

North

LEGEND:

——— **DISTRICT BOUNDARY**

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF ROSEVILLE, LONGMEADOW PARKSIDE COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE AT A REGULAR MEETING THEREOF, HELD ON THE ___________ DAY OF _____________, 2005, BY ITS RESOLUTION NO. ______________.

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

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA ON THIS _______ DAY OF ___________, 2005.

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

FILED THIS _____ DAY OF ________________, 2005, AT THE HOUR OF ______ O'CLOCK __.M., IN BOOK _____ OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

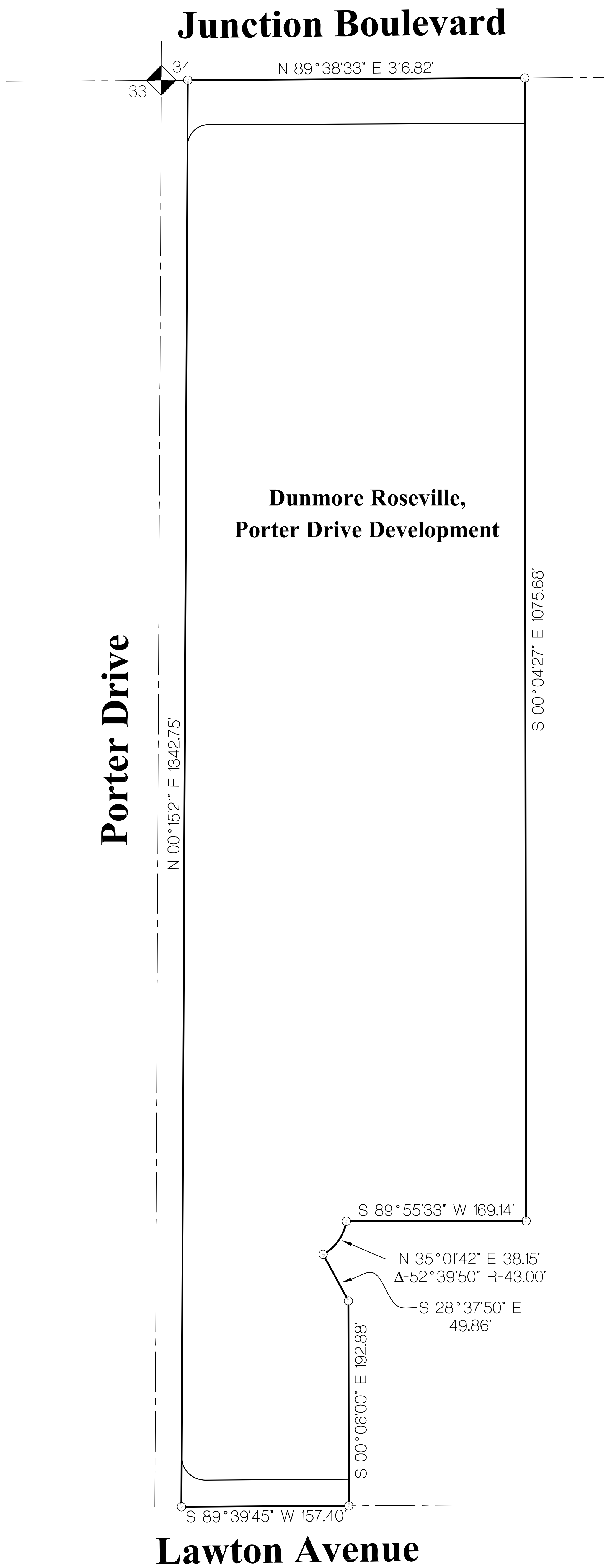
JIM McCAULEY
COUNTY RECORDER

____
By:
DEPUTY COUNTY RECORDER
COUNTY OF PLACER

Fee: ______________________

Instrument No.: ______________________

BAKER-WILLIAMS ENGINEERING GROUP
Engineering / Surveying / Land Planning / Entitlement Processing / GPS Services
6020 Rutland Drive, Suite 19 ~ Carmichael, CA. 95608
(916) 331-4336 ~ fax (916) 331-4430 ~ office@bwengineers.com



Amended and Superceded Boundary Map

City of Roseville

Longmeadow Parkside

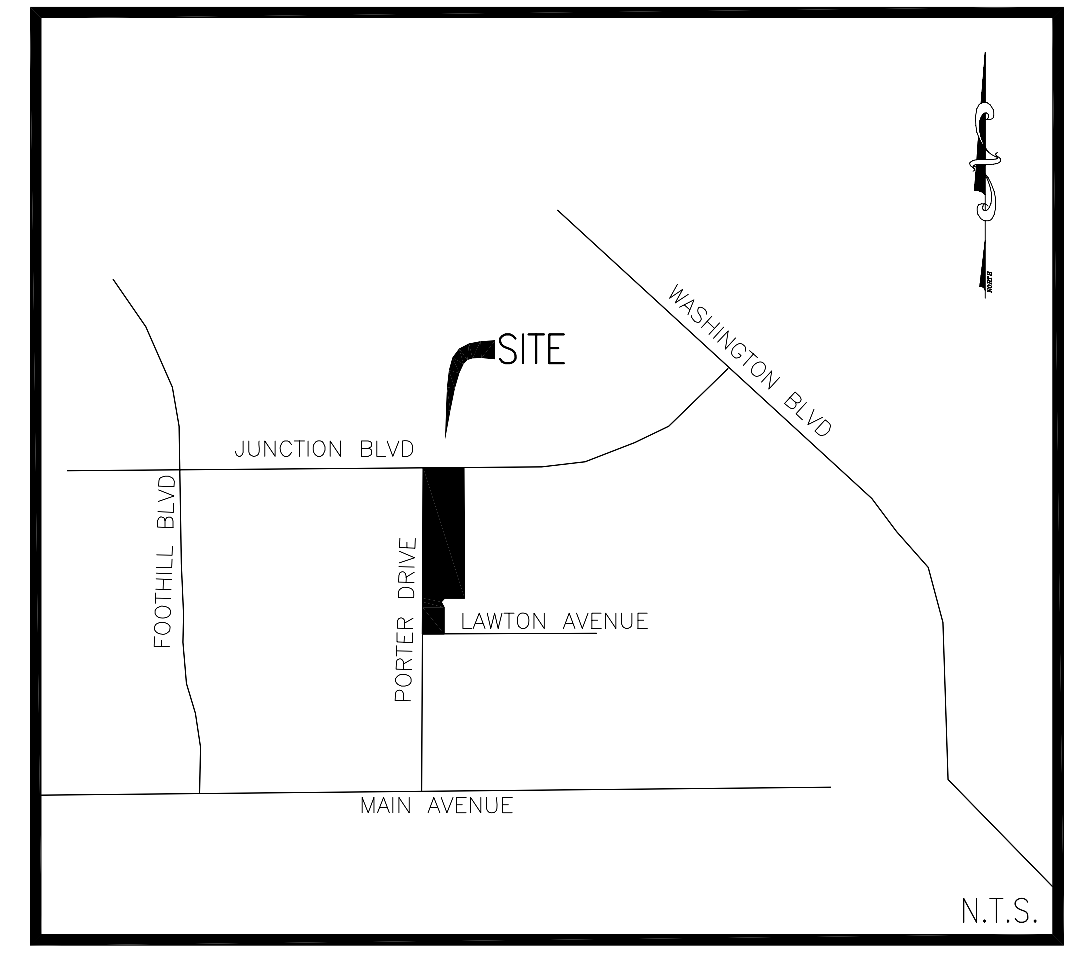
(Formerly recorded as Longmeadow Porter)

Community Facilities District No. 1
(Public Facilities)

This Boundary Map supercedes that Boundary Map recorded as "Longmeadow Porter Community Facilities District No. 1 (Public Facilities)" on September 16, 2005 in Book 3 of Community Facilities, at Page 55.

City of Roseville, Placer County, State of California
Scale 1" = 100'   October 2005

Sheet 2 of 2



LOCATION MAP

LEGEND:

——— **DISTRICT BOUNDARY**

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As the remaining large lot parcels in Longmeadow subdivide, planned residential lots are assigned by the developer to newly created large lot parcels so that there is no net loss in planned residential lots. If the developer fails to assign planned residential lots to large lot parcels, the administrator will allocate planned residential lots to large lot parcels based on the pro rata share of taxable acres for large lot parcels created by the subdivision of either an original parcel or successor parcel. The maximum annual special tax for a large lot parcel is calculated by multiplying the maximum annual special tax per unit for the large lot parcels by the number of planned residential lots assigned to the large lot parcel.

As each large lot parcel is subdivided into single-family residential parcels, the maximum annual special tax assigned to the large lot parcel is divided by the actual number of residential lots created by a final subdivision map to determine the maximum annual special tax for the single-family residential parcels. The maximum annual special tax per unit, as shown in **Table 6**, can therefore increase if fewer actual single-family residential parcels are created once a final subdivision map is recorded. Conversely, the maximum annual special tax per unit could be less than the amount shown in **Table 6** if more single-family residential parcels are created once a final subdivision map is recorded.

This methodology of allocating planned residential lots and calculating the maximum annual special tax for parcels ensures there is no net loss of special tax revenue for the CFD. If a large lot parcel develops as a use other than single-family residential, the tax that is assigned to a large lot parcel at the issuance of a building permit for any other land use will remain the maximum annual special tax for the large lot parcel.

TAX ESCALATION FACTOR

There is no tax escalation factor for the maximum annual special tax.

SETTING THE SPECIAL TAX LEVY FOR TAXABLE PARCELS

After computing the annual costs and determining the maximum annual special tax for each parcel, the County will determine the tax levy for each parcel. To determine the annual levy, the County will use the process presented in **Section 6** of the Tax Formula. That process can be summarized as follows:

- The administrator determines the annual cost for the fiscal year as defined in the Special Tax Formula.
- Compute 100 percent of the maximum annual special tax revenue for all taxable parcels by summing the maximum annual special tax for each taxable parcel.
- Compare the annual costs with the maximum annual special tax revenue from taxable parcels calculated in the previous step.
- In the first five fiscal years of the special tax levy the special tax will be levied at 100 percent with any excess special tax revenue available after paying annual costs (not including pay-as-you-go expenditures) being made available for pay-as-you-go expenditures.
- After the first five years of the special tax levy, decrease proportionately the special tax levy on developed parcels until revenues from the special tax levy are just equal to annual costs.

PREPAYMENT OF THE SPECIAL TAX OBLIGATION

Landowners may permanently satisfy all or a portion of the special tax obligation by a cash settlement with the County as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The administrator determines that the prepayment of the special tax obligation does not jeopardize its ability to make timely payments of debt service on outstanding bonds.
- Any landowner prepaying the special tax obligation must pay any and all delinquent special taxes and penalties for the prepaying parcel.

The prepayment amount shall be established by following the procedures described in **Section 7** of the Special Tax Formula of the special tax. Once bonds are sold, parcels wishing to prepay must prepay their share of outstanding bonds.

TAX-EXEMPT PARCELS CONVERTED TO TAXABLE PARCELS

If a parcel designated in the CFD as a tax-exempt parcel is converted to private use, it shall become subject to the special tax. The maximum annual special tax for each such parcel shall be calculated by multiplying the taxable acreage, as defined in the Special Tax Formula, by an amount of $8,300.

TAXABLE PARCELS CONVERTED TO PUBLIC USE

Taxable parcels converted to public use after the formation of the CFD will remain subject to the special tax unless the special tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this stipulation 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 that there is no net loss in maximum CFD revenue and that the transfer is agreed to by the owners of the parcels involved in the transfer and by the administrator.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as *ad valorem* property taxes. At the County's option, the special taxes may be billed directly to property owners.

VI. Feasibility Analysis

A feasibility analysis of the CFD is important because such an analysis tests the financial strength of the project and the likelihood that the funding sources used will adequately support the total costs required for developing the necessary infrastructure. Two methods will be used to test the feasibility of the CFD financing plan: the two-percent tax burden test and the value to lien ratios.

TWO-PERCENT TAX BURDEN TEST

An industry guideline is the principle that the total taxes on a developed residential unit should not exceed two percent of the value of the property. Proposition 13 limited general property tax to 1 percent of the value of the property. Based on the two-percent rule, other bonded debt, special assessments, and other special taxes should not exceed one percent of the value of the property.

Table 7 sums the property tax, estimated landscaping and lighting assessments, and estimated special taxes for the CFD. For Longmeadow, the burden is estimated to be 1.43 percent for a single-family residence for the "low end" home prices in Village 1, and 1.42 percent for the "low end" home prices in Village 2. For Parkside, the burden is estimated to be 1.36 percent for "low end" home prices. This burden is decreased as home prices increase. Thus, the proposed special taxes are within the 2-percent guideline.

VALUE TO LIEN RATIO

For bonds to be issued, the value of the land, with the proposed infrastructure improvements, must be at least three times the par value of the bonds. The estimated bond proceeds for the CFD are approximately $9.0 million. To issue these bonds, the appraised value must be at least $27.0 million at the final bond issuance. An appraisal will be required within 60 days of each bond sale to validate the value to lien ratio.

Table 7
Longmeadow Parkside CFD No. 1 (Public Facilities)
Two-Percent Tax to Sales Price Burden Test

		Average Home Sizes		
		Longmeadow		Parkside
		Village 1	Village 2	
Item	**Rates**	**2,780 sq. ft.**	**1,484 sq. ft.**	**2,780 sq. ft.**
Estimated Base Sales Price [1]		$519,990	$404,500	$493,991
Homeowner's Exemption		($7,000)	($7,000)	($7,000)
Assessed Value of Home [2]		$512,990	$397,500	$486,991
Property Taxes				
Property Tax	1.0000%	$5,130	$3,975	$4,870
Other *Ad Valorem* Taxes [3]	0.06%	$308	$239	$292
Subtotal Property Taxes		**$5,438**	**$4,214**	**$5,162**
Direct Charges				
CFD No.2 (Longmeadow) [4]		$1,584	$1,104	$320
SCIP Assessment [5]	flat	$0	$0	$1,117
Municipal Services CFD [6]	flat	$293	$293	$0
Services CFD (Landscaping) [6]	flat	$139	$139	$100
Subtotal Direct Charges		**$2,016**	**$1,536**	**$1,537**
Total Annual Assessments/Taxes		$7,454	$5,750	$6,699
As a Percentage of Assessed Value		1.43%	1.42%	1.36%

"two_percent"

[1] Provided by John Mourier Construction, Inc.

[2] The assessed value of the home is the sales price, less any allowable exemptions. An owner-occupied residence is allowed a $7,000 annual exemption against the assessed value.

[3] Other *ad valorem* taxes are voter-approved property tax over-rides, such as for school bonds.

[4] The special tax will not escalate annually.

[5] The developer estimates that the maximum amount the annual SCIP assessment that may be charged to a parcel in Parkside is $1,117. This assessment is levied for 25-years from inception.

[6] A Services CFD will be formed to provide maintenance for street lights, landscaping, and open space maintenance. This is a preliminary estimate of the costs per unit for maintenance of these facilities. Parkside will not be included in the new Services CFD and will, therefore, be annexed to the Northwest Landscaping and Lighting District.

EXHIBITS

EXHIBIT A: RATE, METHOD OF APPORTIONMENT, AND MANNER OF COLLECTION OF SPECIAL TAX

EXHIBIT B: LIST OF AUTHORIZED FACILITIES

Economic & Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

EXHIBIT A

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

EXHIBIT A

Longmeadow Parkside
Community Facilities District No. 1
(Public Facilities)
City of Roseville, 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 Longmeadow Parkside Community Facilities District No. 1 (Public Facilities) (CFD) 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

"**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 following actual or reasonably estimated costs related to the administration of the CFD, including:

- Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the City or designee thereof or both);
- Costs of collecting the Special Taxes (whether by the County, the City, or otherwise);
- Costs of remitting the 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 any designee thereof of complying with arbitrage rebate requirements;
- Costs to the City, CFD or any designee thereof of complying with City, CFD or obliged persons disclosure requirements;

- Costs associated with preparing Special Tax disclosure statements;
- Costs incurred in responding to public inquiries regarding the Special Taxes;
- Costs to the City, CFD or designee thereof related to any appeal of the Special Tax;
- Costs associated with the release of funds from an escrow account, if any; 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 commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"**Administrator**" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Affordable Unit" means a Unit built on a Single-family Residential Parcel for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in a deed of trust on the Single-family Residential Parcel in favor of the City. Single-family Residential Parcels identified as Affordable Units are identified as lots 15, 16, 19, 20, 129, 130, 135, 136, 141, 142, 153, 154, 159, 160, 165, 166, 170, 171, 172, 175, 176, 177, 181, 182, 183, 187, 188, and 189 as shown on Plat of "Longmeadow Village 2, Phase 1 filed for record June 14, 2005 in Book AA of maps at page 37, in the official records of the County. Affordable Units are identified by County Assessor's Parcel in **Attachment 1**. The list of Affordable Units shall also be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market Rate Units. If an Affordable Unit is no longer owned by the Original Owner, the Taxable Parcel will be reclassified as a Market Rate Unit. The list of Affordable Units, which shall contain all qualifying Affordable Units as of April 30, shall be made available to Administrator by July 1 of each year for purposes of determining the Maximum Annual Special Tax for Taxable Parcels pursuant to **Section 5** below. There shall be no more than 28 Affordable Units in the CFD.

"**Annual Costs**" means, for any Fiscal Year, the total of the following:

i. Debt Service to be paid from Special Taxes collected during such Fiscal Year;
ii. Administrative Expenses for such Fiscal Year;
iii. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture;
iv. An amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous Fiscal Year or anticipated for the current Fiscal Year;

v. Pay-As-You-Go Expenditures; and

vi. Less any earnings on the reserve fund and special tax fund that are transferred to the bond redemption fund pursuant to the Bond Indenture.

"**Authorized Facilities**" means those facilities to be financed as identified in the resolution forming the CFD.

"**Benefit Share**" means the Maximum Annual Special Tax for a Taxable Parcel divided by the Maximum CFD Revenue.

"**Bond(s)**" means bond(s) issued or other indebtedness incurred by the City for the CFD under the Act.

"**Bond Indenture**" means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which any Bonds are issued.

"**Bond Share**" means the share of Bonds assigned to a Parcel as specified in **Section 7** hereof.

"**CFD**" means Longmeadow Parkside Community Facilities District No. 1 (Public Facilities).

"**City**" means the City of Roseville, California.

"**Council**" means the City Council of the City.

"**County**" means the County of Placer, California.

"**County Assessor's Parcel**" means the Assessor's Parcel number for any Parcel of land in the CFD as recorded by the County Assessor on the County equalized tax roll.

"**Debt Service**" means the total annual amount of bond principal, interest, and any scheduled sinking fund payments of the Bonds.

"**Developed Parcel**" means a Parcel in one of the following Parcel categories that has received from the City the applicable development approval for that Parcel category as follows:

Parcel Category	Development Approval
Single-Family Residential Parcel	=> - Final Subdivision Map

"**Developer**" means John Mourier Construction, Inc., or successor.

"**Final Subdivision Map**" means a recorded map designating individual Single-Family Residential Parcels.

"**Finance Director**" means the City Treasurer of the City or designee.

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

"**Large Lot Parcel(s)**" means any Taxable Parcel that is not a Developed Parcel.

"**Large Lot Subdivision Map**" means a recorded subdivision map creating Parcels by land use. However, the Large Lot Subdivision Map does not delineate Single-family Residential Parcels. A Final Subdivision Map will create individual single-family parcels.

"**Market Rate Unit**" means Taxable Parcels in the Longmeadow that are sold without subsidies for low income or medium income home buyers. At formation of the CFD, there will be 28 Taxable Parcels designated as Affordable Units. All remaining Taxable Parcels will be classified as Market Rate Units. An Affordable Unit will be reclassified as a Market Rate Unit when the Original Owner sells the Affordable Unit.

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

"**Maximum Annual Special Tax**" means the maximum amount of Special Tax that can be levied against a Taxable Parcel in a Fiscal Year as shown in **Attachment 1**.

"**Maximum Annual Special Tax Revenue**" means the maximum amount of revenue that can be collected by levying the Maximum Annual Special Tax against a group of Taxable Parcels within a specific classification.

"**Original Owner**" means an individual or party that originally purchases an Affordable Unit.

"**Original Parcel**" means the County Assessor Parcel's existing at the formation of the CFD, as shown on **Attachment 1**.

"**Outstanding Bonds**" means the total principal amount of Bonds that have been issued and not fully repaid or legally defeased. Prior to the initial Bond sale, Outstanding Bonds shall be equal to the bond authorization.

"**Parcel**" means any parcel of land, identified by County Assessor's Parcel, in the CFD based on the equalized tax rolls of the County as of January 1 preceding the Fiscal Year.

"**Pay-As-You-Go Expenditure**" means expenditures for Authorized Facilities that are not funded through the issuance of bonds. The developer may receive payments from Pay-As-You-Go Expenditures, for Authorized Facilities constructed but not fully reimbursed from bond proceeds, for a period of five years from the first year that Special Taxes are levied. After that time period, Pay-As-You-Go Expenditures will be utilized by the City, in its sole discretion, for funding any additional Authorized Facilities.

"**Planned Residential Lots**" means the number of single-family Units planned for each Large Lot Parcel as shown in **Attachment 1**.

"**Prepayment**" means the complete fulfillment of a Parcel's Special Tax obligation, as determined by following the procedures in **Section 7**.

"**Public Parcel**" means any Parcel that is or is intended to be publicly owned, as designated in any final map for Longmeadow that is normally exempt from the levy of general *ad valorem* property taxes under California law, including public streets; schools; parks; and public drainageways, landscaping, wetlands, greenbelts, and open space.

"**Reserve Fund Requirement**" means the amount required to be held in the bond reserve fund created under the Bond Indenture.

"**Reserve Fund Share**" means the lesser of: (i) Reserve Fund Requirement or (ii) the reserve fund balance at the time of such calculation, multiplied by the Benefit Share for a given Parcel.

"**Single-family Residential Parcel**" means a single-family residential lot created by the recordation of a Final Subdivision Map.

"**Special Tax(es)**" mean(s) any special tax levied on Taxable Parcels in the CFD under the Act.

"**Subdivision**" or "**Subdivided**" means a division of a Parcel into two or more Parcels through the Subdivision Map Act process.

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

"**Tax Collection Schedule**" means the document prepared by the City for the County Auditor to use in levying and collecting the Special Tax each Fiscal Year.

"**Taxable Acres**" or "**Taxable Acreage**" means the portion of a Taxable Parcel that is developable.

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

"**Tax-Exempt Parcel**" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels are: (i) Public Parcels, (ii) Parcels for which the Special Tax has been fully prepaid under **Section 7** hereof, and (iii) certain privately owned Parcels such as common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, on which an *ad valorem* property tax is not levied.

"**Unit(s)"** means a Single-family Residential Parcel, or the number of single-family residential lots proposed for a Large Lot Parcel.

3. Determination of Parcels Subject to Special Tax

The City shall prepare a list of the Parcels subject to the Special Tax. The City shall identify the Taxable Parcels from a list of all Parcels within the CFD boundary by excluding all Tax-Exempt Parcels.

4. Termination of the Special Tax

The Special Tax will be levied and collected for as long as needed to pay the principal and interest on debt and other costs incurred in order to construct the authorized facilities and to pay the Annual Costs. However, in no event shall the Special Tax be levied on any Parcel in the CFD after Fiscal Year 2039-2040.

When all Annual Costs incurred by the CFD have been paid, the Special Tax shall cease to be levied. The City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax shall additionally identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

5. Assignment of Maximum Annual Special Tax

A. Classification of Parcels. Each Fiscal Year, using the Definitions above, the parcel records of the County Assessor's Secured Tax Roll as of January 1, and other City development approval records as of June 1, the Administrator shall cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel;
2. Each Taxable Parcel to be classified as a Original Parcel or Successor Parcel;
3. Each Successor Parcel or Original Parcel to be classified as a Large Lot Parcel or Developed Parcel; and
4. Each Developed Parcel to be classified as a Market Rate Unit or Affordable Unit.

B. Assignment of Maximum Annual Special Tax. The Administrator shall then assign the Maximum Annual Special Tax to each Taxable Parcel as follows:

1) Original Parcels: At the formation of the CFD, Original Parcels are assigned the Maximum Annual Special Tax as shown in **Attachment 1.** Each Original Parcel is assigned Planned Residential Lots and a Maximum Annual Special Tax per Unit. Original Parcels that are Affordable Units are identified by County Assessor's Parcel in **Attachment 1**. As Original Parcels shown in **Attachment 1** are Subdivided into Successor Parcels, use **Sections 5.B.2** through **Section 5.B.3** to assign the Maximum Annual Special Tax to Taxable Parcels.

2) Successor Parcels: As Original Parcels and Successor Parcels are Subdivided, use the following steps to assign the Maximum Annual Special Tax to new Successor Parcels.

a. If Original or Successor Parcel Are Subdivided Into Large Lot Parcels: Use the following steps to assign the Maximum Annual Special Tax to each Large Lot Parcel created by the Subdivision. There shall be no net loss of Maximum CFD Revenue as a result of the assignment of the Maximum Annual Special Tax to new Taxable Parcels.

Step 1: The Developer will assign Planned Residential Lots equal to the total Planned Residential Lots from the Original Parcel(s) to each newly created Large Lot Parcel. If the Developer fails to assign Planned Residential Lots to Large Lot Parcels, the Administrator will allocate Planned Residential Lots on a pro rata basis to each Large Lot Parcel based on the percentage of Taxable Acreage of each Large Lot Parcel to the total Taxable Acreage of all Large Lot Parcels.

Step 2: Multiply the number of Planned Residential Lots assigned to each Large Lot Parcel by the Maximum Annual Special Tax per Unit, as shown in **Attachment 1,** to calculate the Maximum Annual Special Tax for each Large Lot Parcel.

b. <u>If Original or Successor Parcel Is Subdivided Into Developed Parcels and One or More Large Lot Parcels:</u> When an Original or Successor Parcel is Subdivided into Single-Family Residential Parcels and one or more Large Lot Parcels, the Maximum Annual Special Tax is assigned to the Single-Family Residential Parcels and Large Lot Parcels created by the Subdivision in the following manner.

Step 1: Assign Planned Residential Lots according to the instructions in **Section 5.B.2**.

Step 2: For the remaining Large Lot Parcel(s), multiply the number of Planned Residential Lots assigned to the Large Lot Parcel times the Maximum Annual Special Tax per Unit, as shown in **Attachment 1**, to determine the Maximum Annual Special Tax for the Large Lot Parcels(s).

Step 3: Multiply the Planned Residential Lots assigned to the Large Lot Parcel that has been Subdivided into Developed Parcels by the Maximum Annual Special Tax per Unit assigned to the Large Lot Parcel in **Attachment 1.**

Step 4: Divide the Maximum Annual Special Tax calculated in **Step 3** above by the number of actual Single Family Residential Parcels created by the Final Subdivision Map. This amount is the Maximum Annual Special Tax per Unit for the Developed Parcels.

c. <u>If Original or Successor Parcels is Subdivided into Developed Parcels:</u> The Maximum Annual Special Tax is assigned to Developed Parcels using the following steps. There shall be no net loss of Maximum CFD Revenue as a result of the assignment of the Maximum Annual Special Tax to Developed Parcels.

Step 1: Divide the total amount of Maximum Annual Special Tax assigned to the Large Lot Parcel by the total number of actual Single Family Residential Parcels created by the Final Subdivision Map. This amount is the Maximum Annual Special Tax per Unit.

C. <u>Transfer of Planned Residential Lots from Original or Successor Parcel to Another.</u> The City may, at its sole discretion, allow the transfer of Planned Residential Units from one Original or Successor Parcel to another. Such transfer shall only be allowed if (i) all transfers are agreed to in writing by the affected property owners and Finance Director, and (ii) there is no reduction in Maximum CFD Revenue as a result of such transfers. If such transfer is requested, the Administrator will use the following steps to transfer Planned Residential Lots among Parcels:

1. Determine the number of Planned Residential Lots to be transferred.
2. Determine (from **Attachment 1**) that the Maximum Annual Special Tax per Unit for the Planned Residential Lots to be transferred.
3. Determine (from **Attachment 1**) that the Maximum Annual Special Tax per Unit for the Large Lot Parcel to which the Planned Residential Lots are to be transferred. If the Maximum Annual Special Tax per Unit is the same for each Original or Successor Parcel, reassign the Planned Residential Lots from one Original or Successor Parcel to another. The transfer is complete.
4. If the Maximum Annual Special Tax per Unit is not the same for Units assigned to the Parcels from and to which Planned Residential Lots are to be transferred, then multiply the number calculated in **Section C.1** times the amount determined in **Section C.2**. Subtract this amount from the Maximum Annual Special Tax assigned to the Original or Successor Parcel from which Planned Residential Lots are being transferred, and add this amount to the Maximum Annual Special Tax for the Parcel to which Planned Residential Lots are being transferred. Next, transfer the number of Planned Residential Lots from one Parcel to the other.

D. <u>Conversion of a Tax-Exempt Parcel to a Taxable Parcel.</u> If a Tax-Exempt Parcel is converted to a Taxable Parcel, it shall become subject to the Special Tax. The Maximum Annual Special Tax for each such Parcel shall be the Taxable Acreage of the Parcel multiplied by $8,300.

E. <u>Taxable Parcel Acquired by a Public Agency.</u> 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 Revenue, and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Administrator.

6. Setting the Annual Special Tax for Taxable Parcels

The City shall calculate the Special Tax levy for each Taxable Parcel for each Fiscal Year as follows:

A. Compute the Annual Costs using the definition of Annual Costs in **Section 2.**

B. Calculate the Special Tax levy for each Taxable Parcel by the following steps:

Step 1: Compute 100 percent of the Maximum Annual Special Tax Revenue for all Taxable Parcels.

Step 2: Compare the Annual Costs with the Maximum Annual Special Tax Revenue calculated in the previous step.

Step 3: If the Annual Costs are less than the Maximum Annual Special Tax Revenue, decrease proportionately the Special Tax levy for each Taxable Parcel until the Special Tax Revenue equals the Annual Cost.

C. Levy on each Taxable Parcel the amount calculated above.

D. Prepare the Tax Collection Schedule, unless an alternative method of collection has been selected pursuant to **Section 9** to be discussed, and 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 shall not be sent later than the date required by the Auditor for such inclusion.

The City shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and the assignment of the Special Tax to the Parcels.

As development and subdivision of CFD land uses take place, the City will maintain a file, available for public inspection, of each current County Assessor's Parcel Number within the CFD, its Maximum Annual Special Tax, and the Maximum Annual Special

Tax Revenues for all Parcels within the CFD. This record shall show the calculation of the assigned Maximum Annual Special Tax to each Taxable Parcel.

7. Prepayment of Special Tax Obligation

A property owner may permanently satisfy the Special Tax on a Parcel by prepayment as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The Prepayment is based on the Maximum Annual Special Tax for the prepaying Parcel at the time of Prepayment.
- The City determines that the Prepayment of the Special Tax does not jeopardize its ability to make timely payments of Debt Service on outstanding bonds.
- The landowner prepaying the Special Tax on a Parcel has paid any delinquent Special Tax and penalties on that Parcel prior to Prepayment.

The Prepayment amount shall be established by following these steps:

Outstanding Bond Share

Step 1 Determine the Maximum Annual Special Tax for the Parcel for which the Special Tax is to be fully prepaid by following the procedures in **Section 5**.

Step 2 Divide the Maximum Annual Special Tax from Step 1 by the Maximum CFD Revenue to arrive at the Benefit Share.

Step 3 Determine the Bond Share for the Parcel by multiplying the Benefit Share from Step 2 by the Outstanding Bonds. The Outstanding Bonds to be retired from Special Taxes that have been levied but not collected shall reduce the amount of Outstanding Bonds for purposes of calculating the Bond Share. Round to the nearest $5,000. This amount is the amount to call Bonds.

Step 4 Add to the amount calculated in Step 3 any fees, call premiums, and expenses incurred by the City in connection with the prepayment calculation or the application of the proceeds of the Prepayment to the call of Bonds.

Step 5 Determine the Parcel Reserve Fund Share by multiplying the Benefit Share by the Reserve Fund Requirement. Reduce the amount calculated in Step 4 by the Parcels Reserve Fund Share. This amount is the net Prepayment amount.

Note: At the City's sole discretion, the Parcel's Reserve Fund Share may be used to net against the rounding amount and any excess or deficiency netted against the subsequent Fiscal Year Special Tax levy.

8. Appeals

The Administrator has the authority to make necessary administrative adjustments to the Rate and Method of Apportionment in order to remedy any portions of the Special Tax formula that require clarification.

Any taxpayer who feels that 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 as to that Parcel. The Administrator will then promptly review the appeal, and if necessary, meet with the applicant. If the Administrator verifies that the tax should be modified or changed, a recommendation at that time will be made to the Council and, as appropriate, the levy of the Special Tax as to that Parcel shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution 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.

9. 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, that the City 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 its financial obligations.

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Attachment 1
Longmeadow Parkside CFD No. 1 (Public Facilities)
Maximum Annual Special Tax for Original Parcels [1]

Original Parcel	Description	Unit Type	Planned Residential Lots [2]	Maximum Annual Special Tax per Unit	Maximum Annual Special Tax per Original Parcel [3]
482-320-001 to 076	Village L-1				
482-330-001 to 068	Village L-1	Market Rate Units	144	$1,584	$228,096
482-351-001 to 14	Village L-2	Market Rate Units	14	$1,104	$15,456
482-351-017,018, 021	Village L-2	Market Rate Units	3	$1,104	$3,312
482-354-001, 004 to 007	Village L-2	Market Rate Units	5	$1,104	$5,520
482-354-010 to 013,016 to 025	Village L-2	Market Rate Units	14	$1,104	$15,456
482-354-028 to 031, 034 to 037	Village L-2	Market Rate Units	8	$1,104	$8,832
482-354-040 to 042, 046	Village L-2	Market Rate Units	4	$1,104	$4,416
482-355-001, 005 to 007	Village L-2	Market Rate Units	4	$1,104	$4,416
482-355-011 to 013, 017 to 020	Village L-2	Market Rate Units	7	$1,104	$7,728
482-352-001 to 008	Village L-2	Market Rate Units	8	$1,104	$8,832
482-353-001 to 014	Village L-2	Market Rate Units	14	$1,104	$15,456
482-356-001 to 029	Village L-2	Market Rate Units	29	$1,104	$32,016
482-357-001 to 007	Village L-2	Market Rate Units	7	$1,104	$7,728
482-351-015 to 016, 019 to 020	Village L-2	Affordable Units	4	$120	$480
482-354-002,003,008,009,014,015	Village L-2	Affordable Units	6	$120	$720
482-354-026,027,032,033,038,039,043 to 045	Village L-2	Affordable Units	9	$120	$1,080
482-355-002 to 004, 008 to 010, 014 to 016	Village L-2	Affordable Units	9	$120	$1,080
		Subtotal	**145**		**$132,528**
482-340-007 [4] [5]	Por. L-3, L-4 Por. L-5	Market Rate Units	191	$1,104	$210,864
482-340-005 [4] [5]	Por. L-4, L-5	Market Rate Units	62	$1,104	$68,448

Attachment 1
Longmeadow Parkside CFD No. 1 (Public Facilities)
Maximum Annual Special Tax for Original Parcels [1]

Original Parcel	Description	Unit Type	Planned Residential Lots [2]	Maximum Annual Special Tax per Unit	Maximum Annual Special Tax per Original Parcel [3]
482-340-006 [4]	Por. L-3	Market Rate Units	2	$1,104	$2,208
011-270-001 to 020 011-280-002 to 016	D-1	Market Rate Units	35	$320	**$11,200**
482-340-003	L-6	Public Parcel [6]	0	$0	**$0**
Totals			**579**		**$653,344**

"att1"

[1] The Maximum Annual Special Tax does not escalate.

[2] There should be no net loss of Maximum Annual Special Tax Revenue. If the number of Planned Residential Lots are not created once final maps have been recorded, the Maximum Annual Special Tax per Unit will increase to ensure that there is no net loss of Maximum Annual Special Tax Revenue.

[3] A Maximum Annual Special Tax is assigned to each Original Parcel. As Original Parcels are Subdivided, Planned Residential Lots are assigned by the Developer to the Successor Parcels created by the Subdivision. If the Developer fails to assign Planned Residential Lots to Successor Parcels, the Administrator will assign the Planned Residential Lots using **Section 5.B.2**.

[4] List of Planned Residential Units assigned to Villages L-3, L-4, and L-5 and corresponding County Assessor's Parcels.

Village L-3	76 Units	por. 482-340-007
Village L-4	109 units	482-340-006, por. 482-340-005 and 007
Village L-5	70 units	por. 482-340-005 and 007

[5] If Village L-5 is sold to the Roseville City School District, the Developer will prepay the Special Tax obligation for 72 Planned Residential Units.

[6] Any Public Parcel or Tax-Exempt Parcels that is converted to taxable uses will be assigned a Maximum Annual Special Tax by multiplying the Taxable Acreage of the Parcel by $8,300.

EXHIBIT B

LIST OF AUTHORIZED FACILITIES

EXHIBIT B

Longmeadow Parkside
Community Facilities District No. 1
(Public Facilities)
City of Roseville, California

LIST OF AUTHORIZED FACILITIES

1. Local Public Improvements

These facilities local public improvements designed to serve development within the District.

Roadway Improvements

Roadway Improvements include improvements to local and the collector roads approved by the City to be funded through the District. Improvements may include: roadway design, project management, grading, and construction of roadways, including curbs, gutters, sidewalks, pavement, street lighting, dry utilities, landscaping, soundwalls, and other miscellaneous improvements.

2. Regional Public Improvements

These facilities are regional public improvements, such as roadways, drainage system improvements, wastewater system improvements, water system improvements, park improvements, and other capital improvements for which developer impact fees are payable to the City pursuant to approved ordinances or resolutions upon issuance of a building permit or final map approval for development within the District.

3. Other Expenses

The above listed types of facilities are proposed to include incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning, engineering, and designing the facilities (including the cost of environmental evaluation thereof); costs associated with the creation of the District, issuance of bonds, and determination of the amount of taxes and the collection and payment thereof; costs otherwise incurred in order to carry out the authorized purposes of the District; and any other expenses incidental to the construction, completion, and inspection of the facilities.