

The Economics of Land Use



Hearing Report

HP Campus Oaks Community Facilities District No. 2 (Public Services)

Prepared for:

BBC Roseville Oaks, LLC, and City of Roseville

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Exhibits:

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

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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 Campus Oaks (Project) development, located in the City's North Industrial Planning Area, 2 miles west of the State Route 65/Blue Oaks Boulevard interchange. The site generally is bound by Blue Oaks Boulevard to the north, the Hewlett Packard Campus to the east, Woodcreek Golf Club to the south, and Woodcreek Oaks Boulevard to the west. The objective of establishing a CFD is to create a land-secured funding mechanism to be used to fund the maintenance and operation of authorized services of the CFD. The Development Agreement requires the use of a CFD to fund maintenance and operation public infrastructure and provided a general structure for a proposed CFD.

The Project is planned for 948 residential units of low-, medium-, and high-density product types and approximately 530,000 building square feet (sq. ft.) of nonresidential development, including 60,000 sq. ft. of Professional Office, 170,000 sq. ft. of Commercial, and 300,000 sq. ft. of Tech/Business Park. In addition to the residential and nonresidential development, the Project contains approximately 70 acres of parks and open space, roads, and other public land uses.

Formation of the City's Project CFD No. 2 (Public Services) has been initiated with the adoption of the Resolution of Intention (ROI) to form the CFD. The City Council (Council) adopted the ROI on June 1, 2016, and the Resolution of Formation (ROF) will be considered by the Council on July 6, 2016.

Purpose of the CFD

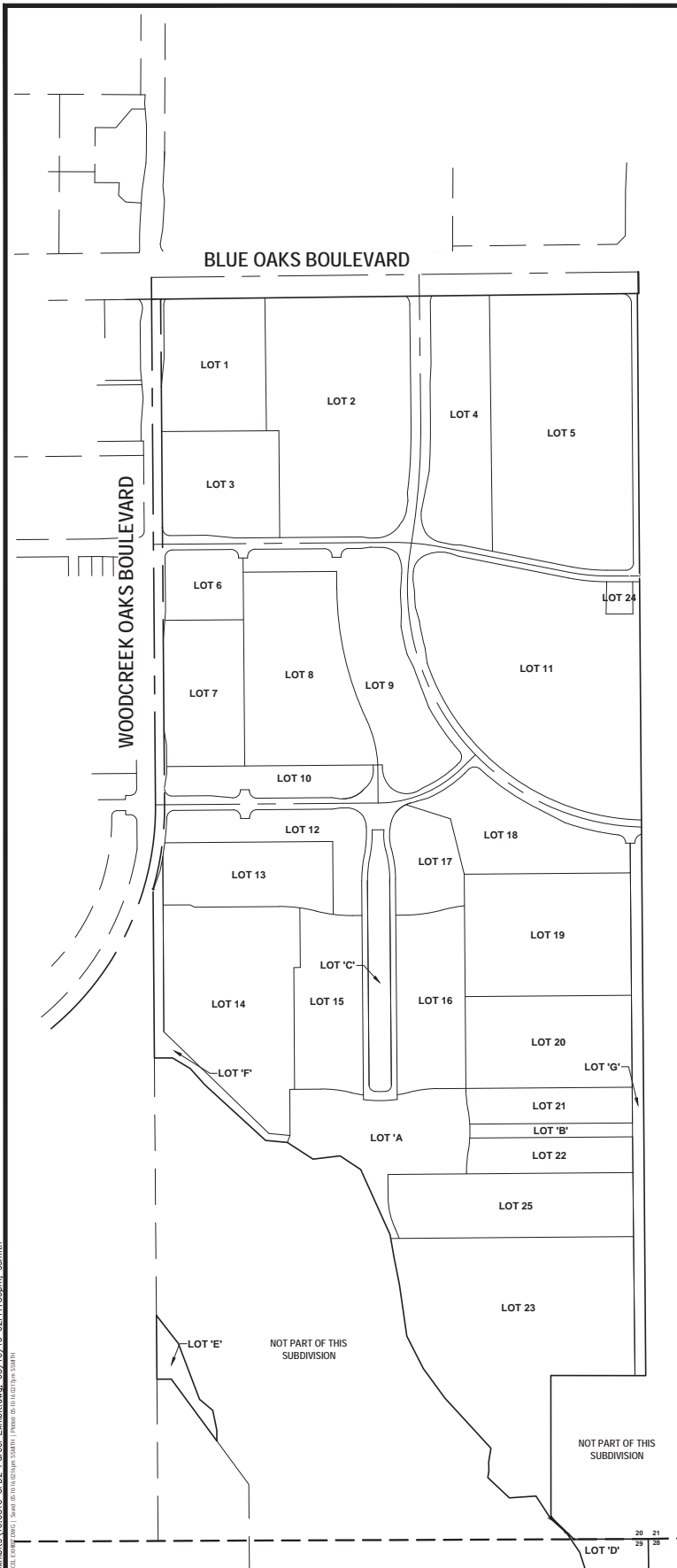
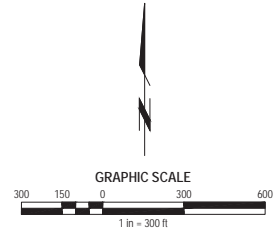
The CFD is being formed to fund the maintenance and operation of certain authorized services of the CFD, such as open space, landscape corridors, leaf pick up and street sweeping, parks, storm water systems, transit facilities, and other authorized facilities under the Mello-Roos Act, serving the Project as a condition of the City's approval of the development Project.

Map 1 shows the proposed boundaries of the CFD.

MAP 1
 HP CAMPUS OAKS
 COMMUNITY FACILITIES
 DISTRICT NO. 2
 (PUBLIC SERVICES)

CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA

DATE: MAY 10, 2016
 SCALE: 1"=300'



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 City of Roseville, Placer County, California

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Organization of the Report

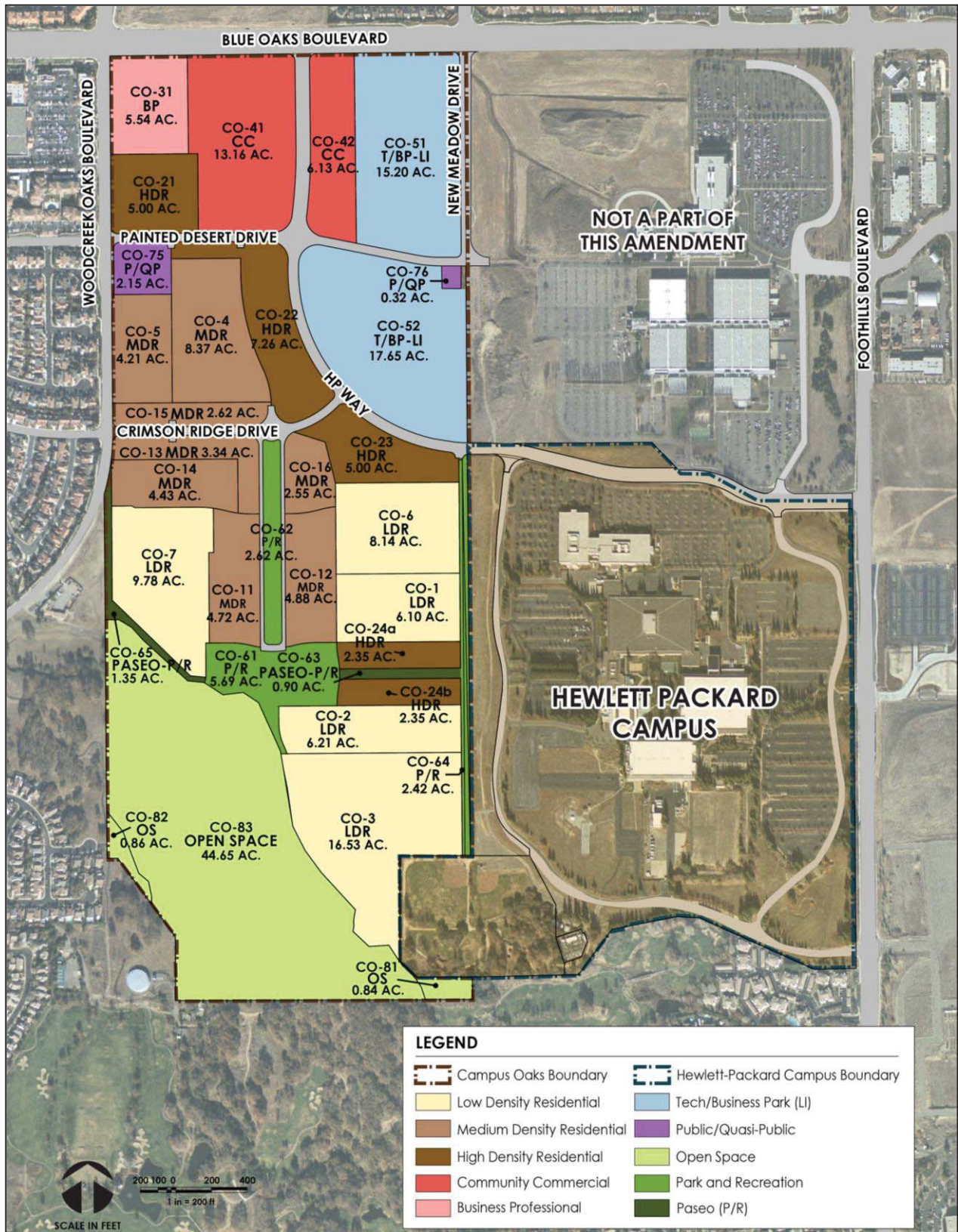
This report consists of these 5 chapters and 2 exhibits:

- **Chapter 1** includes this introduction.
- **Chapter 2** describes the proposed land uses in the CFD.
- **Chapter 3** describes authorized services to be funded in the CFD, the costs, and the cost allocations.
- **Chapter 4** describes the proposed 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 Services.

2. LAND USES

The Project is composed of approximately 29 legal parcels, with a total acreage of approximately 235 acres, based on the Hewlett-Packard Campus Oaks Master Plan. **Map 1** shows the proposed boundaries of the CFD. **Map 2** shows a more detailed conceptual site plan of proposed development overlaid on an aerial image, which provides context about the amount of existing development in place on the adjacent campus sites.

The Project proposes 948 residential units of low-, medium-, and high-density product types and approximately 530,000 building sq. ft. of nonresidential development, including 60,000 sq. ft. of Professional Office, 170,000 sq. ft. of Commercial, and 300,000 sq. ft. of Tech/Business Park. In addition to the residential and nonresidential development, the Project contains approximately 70 acres of parks and open space, roads, and other public land uses. Land uses for the Project are shown in **Table 1**.



MAP 2: Campus Oaks Land Use Diagram

Table 1
HP Campus Oaks CFD No. 2 (Public Services)
CFD Land Uses

Land Use Category	Dwelling Units	Acres
Residential		
Low Density	242	46.8
Medium Density	310	35.6
High Density	396	22.0
Residential Subtotal	948	104.3
Nonresidential		
Professional Office	n/a	5.5
Commercial	n/a	19.3
Tech/Business Park	n/a	32.9
Nonresidential Subtotal		57.7
Tax-Exempt		
Parks	n/a	13.0
Open Space	n/a	46.4
Public	n/a	2.5
Roads	n/a	10.7
Tax-Exempt Subtotal		72.5
CFD Totals	948	234.5

"land_use"

Source: Hewlett-Packard Campus Oaks Master Plan

3. AUTHORIZED SERVICES AND ESTIMATED SERVICE COSTS

This chapter describes the authorized services eligible to be funded through the CFD from special taxes levied under the CFD.

Authorized Services of the CFD

The CFD is authorized to fund the maintenance and operation of certain facilities required to serve the Project. Authorized services are identified in the List of Authorized Services (**Exhibit B** of this report). Authorized services are discussed briefly below.

Open Space

The CFD is authorized to fund, but not limited to, open space improvement, operations and management, monitoring, maintenance, creation and maintenance of fire breaks, permits, vandalism/graffiti, flood conveyance (vegetation/tree removals), beaver dam removals, outfall/drainage swale maintenance, erosion control/bank stabilization, native planting/replanting, pre and post emergent, maintenance activities as required by the 404 permit and Open Space Overarching Maintenance & Management Plan and repair and replacement of facilities in open space areas in the Project.

Landscape Corridors and Paseos

The CFD is authorized to fund, but not limited to, maintenance of on-site landscape corridors and paseos designed to serve the Project, including general maintenance, masonry walls, accent lighting, water, and utility costs.

Medians, Entries, and Entry Monumentation

The CFD is authorized to fund, but not limited to, maintenance of medians, entries, and entry monumentation (as described in **Figure 5-2** of the Hewlett-Packard Campus Oaks Master Plan).

Leaf Pick Up and Street Sweeping

The CFD is authorized to fund, but not limited to, the performance of leaf pick up and street sweeping along the following roads, as described in the Specific Plan:

- Woodcreek Oaks Boulevard
- Blue Oaks Boulevard
- HP Way
- Painted Desert Drive
- Crimson Ridge Drive
- New Meadow Drive

Neighborhood Parks

The CFD is authorized to fund, but not limited to, neighborhood park maintenance, repair, and replacement (including long-term replacement). Bike trails also may be included under this category for authorized services.

Storm Water Systems

The CFD is authorized to fund, but not limited to, storm water management, water quality structural controls, including drainage swales constructed between storm drain facilities and receiving waters.

Transit

The CFD is authorized to fund, but not limited to, Bus Transfer Station, bus shelters, bus stops, the park-and-ride lot, and bus signs.

CFD Administration Costs

The CFD is authorized to fund, but not limited to, miscellaneous costs related to any of the items described above, including planning, engineering, GIS, legal, and City and County administration costs.

Long-Term Repair and Replacement

The CFD is authorized, but not limited, to levying special taxes to accumulate sinking funds for anticipated future repairs or replacement costs of landscape corridors, irrigation facilities, medians, entries and entry monumentation, lighting, neighborhood parks, storm water management and other facilities maintained by the CFD as determined by the Administrator.

Authorized Services Estimated Costs

BBC Roseville Oaks, LLC, worked with City staff to establish estimated annual costs on a "per-unit" basis. **Table 2** shows the authorized services, quantities of the maintenance/operations items, and the annual cost per unit to establish total annual costs for each authorized service, as stated in 2016 dollars.

Authorized services for services CFDs in the City historically are segregated into those identified as benefitting both residential and nonresidential land uses, and those that primarily benefit only residential uses. In this CFD, costs for all services were allocated to both residential and nonresidential land uses. The following sections describe how annual services costs were allocated for the proposed CFD.

Table 2
HP Campus Oaks CFD No. 2 (Public Services)
Total Parks and Landscape Maintenance Cost (2016 \$s)

Item	Quantity	Annual Maintenance Cost [1]	Total Annual Cost
Corridor, Median, Paseo, Open Space & Other Maintenance			
Landscape Corridors	2.06	\$10,500 acre	\$21,630
Paseos	2.25	\$10,500 acre	\$23,625
Medians	4.68	\$10,500 acre	\$49,115
Open Space	1.70	\$1,000 acre	\$1,700
Bike Trails	6,800.00	\$1.06 lineal foot	\$7,208
Masonry Wall Graffiti Removal	12,500.00	\$0.01 square foot	\$125
Masonry Wall Repair	12,500.00	\$1.04 square foot	\$13,000
Leaf Pick Up	5.80	\$61.31 mile	\$356
Street Sweeping	5.80	\$28.62 mile	\$166
Subtotal			\$116,924
Repair/Replacement (sinking fund) (5%)			\$5,846
Corridor, Median, Paseo, Open Space & Other Subtotal			\$122,771
City Administration			
Finance Department (3%)			\$3,683
Parks Department (10%)			\$12,277
Subtotal			\$15,960
County Administration (1%)			\$1,387
Total Annual Maintenance			\$140,118
Park and Storm Drainage Maintenance			
Parks	9.82	\$12,000 per acre	\$117,848
Stormwater Management	948	\$25 per unit	\$23,700
Subtotal			\$141,548
Repair/Replacement (sinking fund) (5%)			\$7,077
Park and Storm Drainage Maintenance Subtotal			\$148,626
City Administration			
Finance Department (3%)			\$4,459
Parks Department (10%)			\$14,863
Subtotal			\$19,321
County Administration (1%)			\$1,679
Total Annual Maintenance			\$169,627
TOTAL			\$309,745

"maint_cost"

Source: City of Roseville

[1] Medium service level. City provided rates as of January 2014.

Corridor, Median, Paseo, Open Space, and Other Maintenance

Annual authorized corridor, median, paseo, open space and other maintenance costs are estimated to be \$116,924 in 2016 dollars. The CFD is authorized to establish a sinking fund for long-term repair and replacement of authorized services. The City typically includes a 5-percent annual set aside of annual costs in the sinking fund. Annual costs plus the 5-percent set aside totals \$122,771 in 2016 dollars.

The CFD also is authorized to fund the costs of administering the CFD. City-related CFD administrative costs are assumed to be 13 percent of the annual costs (10 percent for the Parks Department and 3 percent for the Finance Department). The cost estimates are based on the assumption that the City will require approximately \$15,960 to administer the CFD in 2016 dollars. The County charges all taxing entities a 1-percent charge to place direct charges, such as a CFD special tax, on the annual property tax roll. The County's annual administrative charge also is included in the costs.

All new residential and nonresidential land uses will benefit from the annual landscape and streetscape maintenance costs. As such, **Table 3** shows how such costs were allocated to all Project land uses. The allocated costs per unit are rounded up to the nearest dollar. Tables showing the allocation methodologies (**Tables 4 and 5**) do not round costs per unit to the nearest whole dollar, so total costs in these two tables may differ from the summaries by land use shown in **Table 3**.

Neighborhood Parks and Storm Water Management

The annual cost to maintain neighborhood parks is assumed to be \$12,000 per acre of neighborhood parks, and the Project includes a total of 9.8 acres of neighborhood parks to be maintained. The cost per residential unit to maintain storm water systems is \$25 annually. Total annual maintenance cost for neighborhood parks and storm water management are estimated to be \$141,548 in 2016 dollars. As with other authorized services, there is a 5-percent set aside for long-term repair and replacement of these items, or approximately \$7,077. Total authorized service costs for neighborhood parks and stormwater management are approximately \$19,321. Adding to these the costs, the 13-percent City administrative cost and 1-percent County administrative cost brings total costs for neighborhood park and stormwater maintenance to approximately \$169,627 annually in 2016 dollars.

Allocation of Estimated Annual Service Costs to Land Uses

The annual costs for maintaining and operating authorized services as estimated by the City was identified in **Table 2**. These annual costs were allocated to both residential and nonresidential land uses using a persons-served methodology as described below. The cost allocation methodology establishes an estimate of total "persons served" as a means of approximating benefits received for each taxable land use in the CFD.

Table 3
HP Campus Oaks CFD No. 2 (Public Services)
Estimated Maximum Special Tax Revenues

Land Use	Special Tax/Assessment Revenues		
	Rate [1]	Units/Acres	Total
Residential	<i>per unit</i>	<i>units</i>	
LDR	\$352	242	\$85,184
MDR Rowhouse	\$352	130	\$45,760
MDR Paseo	\$352	84	\$29,568
MDR Cluster	\$352	77	\$27,104
MDR Affordable	\$177	19	\$3,363
HDR Townhomes	\$177	271	\$47,967
HDR Apartments	\$177	49	\$8,673
HDR Apartments-Low Income	\$0	38	\$0
HDR Apartments-Very Low Income	\$0	38	\$0
Residential Subtotal		948	\$247,619
Nonresidential	<i>per acre</i>	<i>acres</i>	
Professional Office	\$2,590	5.5	\$14,116
Commercial	\$1,560	19.4	\$30,202
Tech/Business Park	\$547	32.8	\$17,963
Light Industrial	\$0	0.0	\$0
Nonresidential Subtotal		57.7	\$62,281
Total Developable Land Uses			\$309,900

"taxes_a"

Source: City of Roseville; and EPS.

[1] Based on annual maintenance cost estimates provided by the City in July, 2015. Please see Table 2.

Table 4
HP Campus Oaks CFD No. 2 (Public Services)
Landscape Maintenance Cost Allocation (2016 \$s)

Item	Acres	Units/ Sq. Ft.	Cost Allocation Basis			Cost Allocation	
			PPH/ Sq. Ft. per Employee [1]	Total Persons or Employees [2]	Percentage Distribution	Total Cost	Cost per Unit/Acre
Residential Land Uses			<i>pph</i>				
LDR	46.8	242	3.08	745	24%	\$33,431	\$138
MDR Rowhouse	18.1	130	3.08	400	13%	\$17,959	\$138
MDR Paseo	8.4	84	3.08	259	8%	\$11,604	\$138
MDR Cluster	9.1	77	3.08	237	8%	\$10,637	\$138
MDR Affordable		19	1.54	29	1%	\$1,312	\$69
HDR Townhomes	17.0	271	1.54	418	13%	\$18,763	\$69
HDR Apartments	5.0	49	1.54	76	2%	\$3,411	\$70
HDR Apartments-Low Income		38		0	0%	\$0	\$0
HDR Apartments-Very Low Income		38		0	0%	\$0	\$0
Residential Subtotal	104.3	948	2.28	2,164	69%	\$97,117	
Nonresidential			<i>sq. ft. / employee</i>				
Professional Office	5.5	60,000	333	180	6%	\$8,088	\$1,460
Commercial	19.3	170,000	450	378	12%	\$16,958	\$879
Tech/Business Park	32.9	300,000	750	400	13%	\$17,955	\$547
Light Industrial	0.0	0	750	0	0%	\$0	\$0
Nonresidential Subtotal	57.7	530,000		958	31%	\$43,001	
Total	162.0			3,122	100%	\$140,118	

"land"

[1] See Table 5 for adjustments to pperson per household assumptions.

[2] Reflects persons or employee totals of Proposed Project at Buildout.

Table 5
HP Campus Oaks CFD No. 2 (Public Services)
Park Maintenance Cost Allocation (2016 \$s)

Item	Acres	Units/Bldg. Sq. Ft.	Cost Allocation Basis					Cost Allocation	
			PPH/Sq. Ft. per Employee	Population/ Employees	Persons Served Factor	Total Persons Served	Percentage Distribution	Total Cost	Cost per Unit/Acre
		<i>a</i>	<i>b</i>	<i>c = a * b</i>	<i>d</i>	<i>e = c * d</i>	<i>f = e / total persons served</i>	<i>g = f * total cost</i>	<i>g / a</i>
Residential Land Uses									
LDR	46.8	242	3.08	745	1.00	745	30%	\$51,722	\$214
MDR Rowhouse	18.1	130	3.08	400	1.00	400	16%	\$27,784	\$214
MDR Paseo	8.4	84	3.08	259	1.00	259	11%	\$17,953	\$214
MDR Cluster	9.1	77	3.08	237	1.00	237	10%	\$16,457	\$214
MDR Affordable		19	3.08	58	0.50	29	1%	\$2,030	\$107
HDR Townhomes	17.0	271	2.03	550	0.76	418	17%	\$29,053	\$107
HDR Apartments	5.0	49	2.03	100	0.76	76	3%	\$5,253	\$107
HDR Apartments-Low Income		38	2.03	77	0.00	0	0%	\$0	\$0
HDR Apartments-Very Low Income		38	0.00	0	0.00	0	0%	\$0	\$0
Residential Subtotal	104.3	948	2.56	2,426		2,164	89%	\$150,252	
		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = b / c</i>	<i>e</i>	<i>f = d * e</i>	<i>g = f / total persons served</i>	<i>h = g * total cost</i>
Nonresidential Land Uses									
Professional Office	5.5	60,000	333	180	0.50	90	4%	\$6,257	\$1,129
Commercial	19.3	170,000	450	378	0.50	189	8%	\$13,118	\$680
Tech/Business Park	32.9	300,000	750	400	0.00	0	0%	\$0	\$0
Light Industrial	0.0	0	750	0	0.50	0	0%	\$0	\$0
Nonresidential Subtotal	57.7	530,000		958		279	11%	\$19,375	
Total				3,384		2,442	100%	\$169,627	

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Corridor, Median, Paseo, Open Space and Other Maintenance Allocation

As shown in **Table 4**, annual maintenance costs were allocated to all land uses on a persons-served basis for residential and nonresidential land uses. Residential land uses are based on estimated "persons per household" (PPH) by land use density. Low- and medium-density residential land uses are based on an assumed 3.08 PPH. High-density residential land uses are assumed to have 2.03 PPH. Affordable housing land uses are assumed to have PPH approximately 50-percent of the market-rate housing units. By design, BBC Roseville Oaks, LLC, has identified low and very low affordable high-density residential land uses as being tax-exempt, so there are no PPH assigned to these uses.

Nonresidential uses are assigned persons served on a "square foot per employee" basis.

Table 4 shows the assumptions for average square feet per employee for each nonresidential land use category.

Per-unit costs in **Table 4** are not rounded to the nearest dollar.

Neighborhood Parks and Storm Water Management

As shown in **Table 5**, annual neighborhood park and storm water management costs also are allocated to both residential and nonresidential users. However, because neighborhood park usage by employees of nonresidential land uses will vary, the nonresidential persons-served allocation discounts by 50 percent the estimated number of employees by land use category.

Table 3 establishes a cost per acre and per unit (or sq. ft.) for all land uses. The calculations performed in **Table 3** were used to establish proposed maximum annual special taxes for each taxable land use category. The assignment of the maximum annual special tax per unit or acre is discussed further in the following chapter.

Per-unit costs in **Table 4** are not rounded to the nearest dollar. Per-unit costs for **Table 4** and **Table 5** are summed in **Table 3**, and then rounded to the nearest whole dollar.

4. PROPOSED MAXIMUM ANNUAL SPECIAL TAX

This chapter will discuss the proposed maximum annual special tax by land use category for the CFD. The proposed maximum annual special taxes are based on cost allocations developed in the previous chapter.

Development Agreement

The Development Agreement authorized the use of the CFD to fund authorized services of the CFD. Section 3.23 of the Development Agreement also outlined a basic structure for the CFD. Specifically, the Development Agreement:

- Stipulated the CFD must be formed before the issuance of building permits (excluding building permits for model homes).
- Identified all items to be maintained and operated with funding from the CFD.
- Stated that a replacement reserve fund must be established to fund long-term repair and replacement of items to be maintained.
- Specifically stated that public use parcels would be exempted from the CFD special tax.

The Development Agreement did not stipulate the amount of the maximum annual special tax or precise structure of the CFD. The analysis prepared by BBC Roseville Oaks, LLC, and approved by the City, was used to develop proposed maximum annual special tax rates by land use category.

Proposed Maximum Annual Special Tax by Land Use Category

Table 6 shows the proposed maximum annual special tax rates by land use category. The special tax rates were provided by BBC Roseville Oaks, LLC, and were based on the cost allocation methodology described in the previous chapter. The proposed maximum annual special taxes are rounded to the nearest dollar. In the case of the residential use proposed maximum annual special tax, the amounts were rounded to the nearest whole dollar, while the nonresidential proposed maximum annual special tax rates were rounded to the nearest whole dollar.

Table 2 shows the total estimated cost of maintaining and operating authorized services at the time of formation of the CFD is \$309,745, while **Table 6** of this report shows the initial fiscal year maximum annual special tax revenues are \$309,900. The difference is a result of rounding in establishing the maximum annual special taxes.

Table 6
 HP Campus Oaks CFD No. 2 (Public Services)
 CFD Estimated Annual Cost Allocation to Land Uses

Large Lot Number	Specific Plan Lot Designation	Assessor's Parcel Number	Tax Category	Acres	No. of Units	Maximum Annual Special Tax Rate per Unit [1][2]	Unit of Measure	Maximum Annual Special Tax per Large Lot [1][2]
1	CO-31	017-231-016	BP	5.45	n/a	\$2,590	per Acre	\$14,116
2	CO-41	017-231-017	CC	13.16	n/a	\$1,560	per Acre	\$20,530
3	CO-21	017-231-018	HDR	4.94	87	\$177	per Unit	\$15,399
3	CO-21	017-231-018	HDR/Aff Very Low		38	\$0	per Unit	\$0
Lot 3 Subtotals				4.94	125			\$15,399
4	CO-42	017-231-019	CC	6.20	n/a	\$1,560	per Acre	\$9,672
5	CO-51	017-231-020	T/BP-LI	15.20	n/a	\$547	per Acre	\$8,314
6	CO-75	017-231-021	P/QP	2.20	0		Tax-Exempt	\$0
7	CO-5	017-231-022	MDR	4.66	27	\$352	per Unit	\$9,504
7	CO-5	017-231-022	MDR/Affordable		19	\$177	per Unit	\$3,363
Lot 7 Subtotals				4.66	46			\$12,867
8	CO-4	017-231-023	MDR	8.37	84	\$352	per Unit	\$29,568
9	CO-22	017-231-024	HDR	7.19	95	\$177	per Unit	\$16,815
9	CO-22	017-231-024	HDR/Aff Low		24	\$0	per Unit	\$0
Lot 9 Subtotals				7.19	119			\$16,815
10	CO-15	017-231-025	MDR	2.51	19	\$352	per Unit	\$6,688
11	CO-52	017-231-026	T/BP-LI	17.64	n/a	\$547	per Acre	\$9,649
12	CO-13	017-231-027	MDR	3.40	24	\$352	per Unit	\$8,448
13	CO-14	017-231-028	MDR	4.42	50	\$352	per Unit	\$17,600
14	CO-7	017-231-029	LDR	9.78	58	\$352	per Unit	\$20,416
15	CO-11	017-231-030	MDR	4.72	34	\$352	per Unit	\$11,968
16	CO-12	017-231-031	MDR	4.89	34	\$352	per Unit	\$11,968
17	CO-16	017-231-032	MDR	2.65	19	\$352	per Unit	\$6,688
18	CO-23	017-231-033	HDR	4.93	58	\$177	per Unit	\$10,266
18	CO-23	017-231-033	HDR/Aff Low		14	\$0	per Unit	\$0
Lot 18 Subtotals				4.93	72			\$10,266
19	CO-6	017-231-034	LDR	8.14	48	\$352	per Unit	\$16,896
20	CO-1	017-231-035	LDR	6.10	36	\$352	per Unit	\$12,672
21	CO-24a	017-231-036	HDR	2.35	40	\$177	per Unit	\$7,080
22	CO-24b	017-231-037	HDR	2.35	40	\$177	per Unit	\$7,080
23	CO-3	017-231-038	LDR	16.58	64	\$352	per Unit	\$22,528
24	CO-76	017-231-039	P/QP	0.32	n/a		Tax-Exempt	\$0
25	CO-2	017-231-040	LDR	6.21	36	\$352	per Unit	\$12,672
C	CO-62	017-231-041	Tax-Exempt	5.70	n/a		Tax-Exempt	Tax-Exempt
B	CO-63	017-231-042	Tax-Exempt	0.90	n/a		Tax-Exempt	Tax-Exempt
A	CO-61	017-231-043	Tax-Exempt	2.20	n/a		Tax-Exempt	Tax-Exempt
D	CO-81	017-231-044	Tax-Exempt	0.84	n/a		Tax-Exempt	Tax-Exempt
E	CO-82	017-231-045	Tax-Exempt	0.86	n/a		Tax-Exempt	Tax-Exempt
F	CO-65	017-231-046	Tax-Exempt	1.30	n/a		Tax-Exempt	Tax-Exempt
G	CO-64	017-231-047	Tax-Exempt	2.40	n/a		Tax-Exempt	Tax-Exempt
Totals				197.88	948			\$309,900

"att1"

[1] FY 2016-17 is the Base Year

[2] Increases in each Fiscal Year following the Base Year by the Tax Escalation Factor.

The rounding of the proposed maximum annual special taxes means that initially projected revenues are slightly higher than the estimated base year CFD costs. The costs of maintaining authorized services shown in **Table 2** assume that all authorized services are fully implemented at CFD formation. The costs for maintaining authorized services will be phased in over time as the Project builds out. As such, the slight difference between maximum revenue and cost estimates in the initial year should not be deemed to cause long-term funding shortfalls for authorized services.

Overall Tax Burden for Single-Family Residential

The Development Agreement and City policies stipulate that the overall tax burden after formation of the 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 Project developer. **Table 7** shows the "2-percent test" for 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. The estimated annual tax burden for the following three different residential products are shown in **Table 7**:

- LDR
- MDR
- HDR

Ad valorem property tax rates were derived from copies of the FY 2015-16 property tax bills.

The overall tax burden for single-family residential homes proposed for the CFD ranges from 1.65 percent to 1.67 percent.

Table 7
HP Campus Oaks CFD No. 2 (Public Services)
Overall Tax Burden for Single-Family Residential Parcels (2016 \$)

Item		LDR	MDR Rowhouse	MDR Paseo/Cluster	HDR Townhouse
Estimated Home Price [1]		\$500,000	\$400,000	\$350,000	\$250,000
Homeowner's Exemption		(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)
Estimated Assessed Value		\$493,000	\$393,000	\$343,000	\$243,000
Ad Valorem Property Taxes [2]					
General Ad Valorem	1.0000%	\$4,930	\$3,930	\$3,430	\$2,430
Roseville City Elementary B&I 1992 Series A	0.0305%	\$150	\$120	\$105	\$74
Roseville City Elementary B&I 2002 Series A	0.0002%	\$1	\$1	\$1	\$1
Roseville City Elementary B&I 2002 Series A&B Refunding 2011	0.0128%	\$63	\$50	\$44	\$31
Roseville High B&I 1992	0.0234%	\$115	\$92	\$80	\$57
Roseville High B&I 2004 Series C Non Refunding	0.0038%	\$19	\$15	\$13	\$9
Roseville High B&I 2004 A, B, & C Refunding 2013	0.0182%	\$90	\$71	\$62	\$44
Subtotal, Ad Valorem Property Taxes	1.0888%	\$5,368	\$4,279	\$3,735	\$2,646
Direct Charges					
City of Roseville CFD No. 1 (Public Facilities)		\$2,280	\$1,800	\$1,500	\$1,200
City of Roseville CFD No. 2 (Public Services) [3]		\$352	\$352	\$352	\$177
City of Roseville CFD No. 3 (Municipal Services) [4]		\$156	\$91	\$91	\$46
City of Roseville CFD No. 4 Annexation No. 4 (Public Services) [5]		\$76	\$76	\$76	\$76
Placer Mosquito & Vector Control		\$25	\$25	\$25	\$25
Subtotal, Direct Charges		\$2,890	\$2,345	\$2,045	\$1,524
Total Ad Valorem Property Taxes and Direct Charges		\$8,257	\$6,624	\$5,779	\$4,170
Overall Tax Burden		1.65%	1.66%	1.65%	1.67%

"tax burden new"

Source: DCP; Placer County Assessor; Placer County Auditor-Controller, EPS.

[1] Estimated home price and estimated assessed value from Campus Oaks Master Plan Fiscal Impact Analysis Table D-2.

[2] Rates based on tax bill for Hewlett-Packard's site APN: 017-230-075-000. No tax bill records found for Campus Oaks parcels.

[2] Based on FY 2015-16 rates for Tax Rate Area 005-001.

[3] From the parks and open space financing plan analysis. The CFD is not yet formed.

[4] Provided by City of Roseville from the Fiscal Impact Analysis.

[5] Estimated rate per unit based on the existing open space maintenance special tax.

5. STRUCTURE OF THE CFD

Description of the CFD

The CFD is being formed to fund the costs of maintaining and operating authorized services for the Project. This chapter discusses the structure of the CFD, and in particular, the features of the RMA.

The attached exhibits are documents contained in the ROF. **Exhibit A** is the Facilities RMA. **Exhibit B** is the List of Authorized Facilities.

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 City based on an analysis of the cost of providing maintenance and operating authorized services of the CFD, as allocated across benefitting land uses. The maximum annual special tax rates are designed to be competitive with other residential development projects in south Placer County. **Table 8** shows the maximum annual special tax rates by tax category.

Base Year

The base year is FY 2016-17. A base year is defined in the RMA as a means of defining the special tax base in a given year that is allowed to increase by a given factor over a period of time.

Annual Tax Escalation Factor

The maximum annual special tax is increased by the tax escalation factor of up to 4 percent in all fiscal years following the base year.

Termination of the Special Tax

The special tax is authorized to be levied and collected in perpetuity.

Definition of Annual Costs

The maximum annual special tax established under the RMA is the maximum exposure to an annual special tax levy for a given taxable parcel of land. The actual amount of the levy is derived through determining the "annual costs" of the CFD.

Table 8
HP Campus Oaks CFD No. 2 (Public Services)
Maximum Annual Special Tax per Tax Category - Base Year [1]

Tax Category	Maximum Annual Special Tax per Unit or Per Acre [2]	Unit of Measure	Original Parcel/ Large Lot Parcel Numbers	Original Assessor's Parcel Numbers
LDR	\$352.00	Per Unit	(20, 25, 23, 19, 14)	017-231-035, 017-231-040, 017-231-038, 017-231-034, 017-231-029
MDR	\$352.00	Per Unit	(7 - portion, 8, 15, 16, 12, 10, 17)	017-231-030, 017-231-031, 017-231-027, 017-231-025, 017-231-032 017-231-022 (portion), 017-231-023
MDR (Affordable)	\$177.00	Per Unit	(7 - portion)	017-231-022 (portion)
HDR	\$177.00	Per Unit	(3 - portion, 9 - portion, 18 - portion, 21, 22)	017-231-018 (portion), 017-231-024 (portion), 017-231-033 (portion) 017-231-036, 017-231-037
HDR Affordable Low	\$0.00	Per Unit	(9 - portion, 18 - portion)	017-231-024 (portion), 017-231-033 (portion)
HDR Affordable Very Low	\$0.00	Per Unit	(3 - portion)	017-231-018 (portion)
BP	\$2,590.00	Per Acre	(1)	017-231-016
CC	\$1,560.00	Per Acre	(2, 4)	017-231-017, 017-231-019
T/BP-LI	\$547.00	Per Acre	(5, 11)	017-231-020, 017-231-026

[1] FY 2016-17 is the Base Year

[2] Increases in each Fiscal Year following the Base Year by the Tax Escalation Factor.

"att2"

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The RMA identifies the annual costs components as these:

- a. Costs of providing authorized services.
- b. Administrative expenses for such fiscal year.
- c. The amount needed to cure actual or estimated delinquencies of special taxes for the current or previous fiscal years.

Administrative Expenses

Administrative expenses of the CFD are the reasonable costs of administering the CFD each fiscal year. Examples of administrative expenses are (but not limited to) actual or estimated costs incurred by the City to form the CFD and to determine, levy, and collect the Special Taxes, including compensation of City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the costs of collecting installments of the Special Taxes on the general tax rolls, preparation of required reports, the cost of GIS mapping services, and any other costs required to administer the CFD as determined by the City.

Assignment of Maximum Annual Special Tax

Sections 4 and 5 of the RMA describe in detail the precise method for assigning the 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.

Attachment 1 Table 6) of the RMA shows the maximum annual special tax for planned large lot parcels in the Project. Large lot parcels are defined in **Table 6**. In certain cases, a large lot parcel may have land uses that are assigned to one or more tax categories. In all cases, the maximum annual special tax for a large lot parcel is the sum of the number of units or nonresidential acreage in each tax category multiplied by the maximum annual special tax for each tax category for a large lot parcel.

If fewer units are realized at the recordation of a final map defining buildable lots than shown in **Table 6**, the maximum annual 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 special tax per unit. If more residential units are created by a final map than shown in **Table 6**, the maximum annual special tax per unit is that amount shown in **Table 6**.

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

Affordable Units

The RMA recognizes affordable housing units to be built in the CFD. These units are assigned lower maximum annual special tax rates than market-rate units. Affordable units are planned

for Large Lot Parcels CO-5, CO-21, CO-22, and CO-23. **Section 4.c.** of the RMA discusses the assignment of the maximum annual special tax to residential lots and to those residential lots anticipated to include affordable units.

Transfer of the Assigned Maximum Annual Special Tax

The City may, in its sole discretion, allow for a transfer of the maximum annual 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 Finance Director, and (2) there is no reduction in the CFD maximum annual special tax revenues as a result of the transfer. Provisions for such a transfer are discussed in **Section 4.e.** of the RMA.

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 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 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, 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 Final Map Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.

Setting the Special Tax Levy for Taxable Parcels

To determine the annual levy, the administrator will use the process presented in **Section 6** of the RMA. In general, the provisions of **Section 6** describe the following procedures to set the annual special tax levy for each taxable parcel:

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

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

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 City 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 City 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, and 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 8** of the RMA, 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.



EXHIBITS:

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



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

EXHIBIT A

City of Roseville
HP Campus Oaks Community Facilities District No. 2
(Public Services)
Placer County, California

RATE, METHOD OF APPORTIONMENT, AND
MANNER OF COLLECTION OF SPECIAL TAX
(MAY 10, 2016)

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 the HP Campus Oaks Community Facilities District No. 2 (Public Services) (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

"Acre" or **"Acreage"** means the land area of a County 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 estimated costs incurred by the City to form the CFD and to determine, levy, and collect the Special Taxes, including compensation of City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the costs of collecting installments of the Special Taxes on the general tax rolls, preparation of required reports, the cost of GIS mapping services, and any other costs required to administer the CFD as determined by the City.

"Administrator" means a City official in the Finance Department, or his or her designee.

"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. A Multifamily Parcel 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**.

"Annual Costs" means for each Fiscal Year, the total of (1) Authorized Services, (2) Administrative Expenses, and (3) any amounts needed to cure actual or estimated delinquencies in Special Taxes for the current or previous Fiscal Year.

"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 Annual 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 Services" mean those services, as listed in the resolution forming the CFD.

"Base Year" means the Fiscal Year beginning July 1, 2016, and ending June 30, 2017.

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

"CFD" means the HP Campus Oaks Community Facilities District No. 2 (Public Services) of the City of Roseville, Placer County, California.

"City" means the City of Roseville in Placer County, California.

"Council" means the City Council of the City acting for the CFD under the Act.

"County" means the County of Placer, California.

"County 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.

"Developed Parcel" means, in any Fiscal Year, any Taxable Parcel for which a Building Permit was issued before May 1 of the preceding Fiscal Year for Residential Uses on Single-Family Parcels or Multifamily Parcels or for Nonresidential Uses on Nonresidential Use Parcels.

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

"Expected Land Use(s)" means the total number of Units or Acres of each land use type by Tax Category expected within each Large Lot Parcel and Original Parcel at CFD formation as identified in **Attachment 1** of this RMA.

"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 residential Parcels.

"Finance Director" means the Finance Director for the City, or his or her designee.

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

"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 Single-Family Parcels. A Final Small Lot Subdivision Map will create individual Single-Family Parcels.

"Light Industrial Uses" means a Parcel zoned by the City as Light Industrial (Tech./Business Park).

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

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

"Maximum Annual Special Tax Rate" means the rate of Maximum Annual Special Tax charged per Unit or per Acre, as shown in **Attachments 1 and 2**.

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

"Multifamily" or **"Multifamily Parcel"** means any Parcel or Development Plan designated or developed for more than one residential dwelling Unit per Parcel. Such uses may consist of apartments or multifamily structures such as duplexes, triplexes, or time-share units.

"Nonresidential Use" means a Taxable Parcel with land uses other than Residential Uses.

"Original Parcel" means a Taxable Parcel identified in **Attachment 1** (and shown in **Map 1**) at formation of the CFD based on the Large Lot Subdivision Map recorded on December 23, 2015.

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

"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 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 public streets; schools; parks; and public drainageways, landscaping, wetlands, greenbelts, and open space.

"Remainder Parcel" means a Parcel 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 Parcel within the boundaries of a Large Lot Parcel (identified in **Attachment 1**) that has not been mapped for final development approval. 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.

"RMA" means the Rate and Method of Apportionment of Special Tax.

"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. 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 and which have not yet become a Final Use Small Lot Parcel or 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 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** and **2**.

"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 not to exceed 4 percent, determined by the Administrator in any Fiscal Year following the Base Year by which the Maximum Annual Special Tax for the previous Fiscal Year will be increased to provide sufficient services for the current Fiscal Year.

"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 and tax-exempt uses, such as a park site.

"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 include (a) Public Parcels, (b) Parcels owned by the City, school districts, special districts, or the state or federal government, and (c) Very Low Affordable Housing. If a Taxable Parcel is acquired by a public agency, the Parcel shall remain a Taxable Parcel based on 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 homeowners' associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"Undeveloped Parcel" means a Taxable Parcel that is not a Developed Parcel, Final Use Small Lot 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 Parcel, an individual residential Unit in an apartment building.

"Very Low Income Affordable Housing" means homes developed to house residents whose incomes do not exceed 50-percent of the median income for the area, as defined by the United States Department of Housing and Urban Development (HUD). Parcels with such homes are tax-exempt under this CFD.

3. Duration of the Special Tax

Parcels in the CFD will remain subject to the Special Tax in perpetuity.

If the Special Tax ceases to be levied, the City will 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, in addition, will 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.

4. Administrative Tasks

Tasks required of the Administrator are discussed below:

- a. Annual Special Tax Escalation. The Administrator shall increase the Maximum Annual Special Tax by the Tax Escalation Factor in each Fiscal Year following the Base Year.
- b. Assignment of the Maximum Annual Special Tax to Original Parcels. **Attachment 1** identifies the Assigned Maximum Annual Special Tax for each Original Parcel at CFD Formation, which is determined for each Large Lot Parcel based on the Expected Land Uses within each Large Lot Parcel at CFD Formation. The Assigned Maximum Annual Special Tax shall continue to

apply to the geographic area to which it was assigned. If, prior to further Subdivision, the Administrator determines there are multiple Assessor's Parcels within a Large Lot Parcel, the Administrator shall assign the Maximum Annual Special Tax to each Assessor's Parcel on a pro rata basis to all Assessor's Parcels within 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 within an Assessor's Parcel, the Maximum Annual Special Tax shall equal the sum of the Assigned Maximum Annual Special Tax for all Large Lot Parcels within that Assessor's Parcel.

- c. Assignment of the Maximum Annual 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, use the following steps to assign the Maximum Annual Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual 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 Special Tax to Single-Family Parcels. Use the following procedures to assign the Maximum Annual Special Tax to Single-Family Parcels:

- A. If the number of Single-Family Parcels is equal to or greater than the Expected Land Uses shown for the Large Lot Parcel in **Attachment 1**, assign the Maximum Annual Special Tax per Unit by Tax Category shown in **Attachment 1** to each Single-Family Parcel created by the Subdivision.
- B. If fewer Single-Family Parcels are created by the Subdivision and if **Attachment 1** shows that the Large Lot Parcel is not assigned any Affordable Units, divide the total amount of Maximum Annual Special Tax assigned to the Large Lot Parcel in **Attachment 1** by the total number of actual Single-Family Parcels created by the Final Small Lot Subdivision Map for such Large Lot Parcel. Assign this amount calculated per Unit to each Single-Family Parcel created by the Subdivision.

If fewer Single-Family Parcels are created by the Subdivision and if **Attachment 1** shows that the Large Lot Parcel is assigned Affordable Units, for each newly created Taxable Parcel within the Subdivision designated as an Affordable Unit, assign the Maximum Annual Special Tax Rate shown for the Affordable Units in **Attachment 1** to the newly created Taxable Parcels designated as Affordable Units. At formation of the CFD, only Large Lots Parcel Number 7 (CO-5), Number 3 (CO-21), Number 9 (CO-22), and Number 18 (CO-23) are assigned such Affordable Units. As a special note, Affordable Units on Large Lot Parcel Number 3 (CO-21) are not assigned any Maximum Annual Special Tax. For the remaining newly created Single-Family Parcels within the Subdivision that are not Affordable Units, subtract the Maximum Annual Special Tax Revenue from all the newly created Affordable Units from the Maximum Special Tax Revenue for the entire Large Lot Parcel being Subdivided and divide that resulting amount by the number of Single-Family Parcels that are not Affordable

Units; assign the amount so calculated per Unit to each Single-Family Parcel created by the Subdivision that is not an Affordable Unit.

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 Maximum Annual Special Tax is assigned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:
 - A. Apportion the Maximum Annual 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, if the Subdivision produces the same number of Units or a greater number of Units as compared to the Expected Land Uses anticipated in **Attachment 1** for that portion of the Original or Successor Parcel, assign the Maximum Annual Special Tax Rate per Unit by Tax Category in **Attachment 1** for that portion of the Original or Successor Parcel being Subdivided into Single-Family Parcels.
 - C. For each area Subdivided into Single-Family Parcels, if fewer Single-Family Parcels are created by the Subdivision and if **Attachment 1** shows that the Original or Successor Parcel is not assigned any Affordable Units, divide the total amount of Maximum Annual Special Tax assigned to that portion of the Original or Successor Parcel in **Attachment 1** being Subdivided into Single-Family Parcels by the total number of actual Single-Family Parcels created by the Final Small Lot Subdivision Map within that portion of the Large Lot Parcel. Assign this amount calculated per Unit to each new Single-Family Parcel created by the Subdivision.
 - D. For each area Subdivided into Single-Family Parcels, if fewer Single-Family Parcels are created by the Subdivision and if **Attachment 1** shows that the Original or Successor Parcel is assigned Affordable Units, for each newly created Taxable Parcel within the Subdivision designated as an Affordable Unit, assign the Maximum Annual Special Tax Rate shown for the Affordable Units in **Attachment 1** to the newly created Taxable Parcels designated as Affordable Units. At formation of the CFD, only Large Lots Parcel Number 7 (CO-5), Number 3 (CO-21), Number 9 (CO-22), and Number 18 (CO-23) are assigned such Affordable Units. As a special note, Affordable Units on Large Lot Parcel Number 3 (CO-21) are not assigned any Maximum Annual Special Tax. For the remaining newly created Single-Family Parcels within the Subdivision that are not Affordable Units, subtract the Maximum Annual Special Tax Revenue from all the newly created Affordable Units from the Maximum Special Tax Revenue for that portion of the Original or Successor Parcel being Subdivided into Single-Family Parcels and divide that resulting amount by the number of Single-Family Parcels that are not Affordable Units; assign the amount so calculated per Unit to each Single-Family Parcel created by the Subdivision that is not an Affordable Unit.

- E. For the Remainder Parcel or Parcels, identify the Maximum Annual Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Special Tax for all Single-Family Parcels created by the Subdivision, including Single-Family Parcels with Affordable Units. Subtract the sum of the Maximum Annual Special Tax for all Single-Family Parcels from the Maximum Annual Special Tax for the Original or Successor Parcel being subdivided and compare it to the Maximum Annual Special Tax assigned to the Remainder Parcel or Parcels in Step 4.c.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.c.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual 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 Original or Successor Parcel are Subdivided creating multiple land use and Tax Categories:
 - A. Identify the Maximum Annual Special Tax for the Original Parcel or Successor Parcel that is being Subdivided.
 - B. For each Taxable Successor Parcel created by Subdivision multiply the Maximum Annual Special Tax per Unit or per Acre by the number of Units (Single Family Parcels and Multifamily Parcels excluding Large Lot Number 3 [CO-21]) or by the number of Acres (Large Lot Parcel Number 3 [Multifamily Parcel CO-21] or Nonresidential Parcels). For each Taxable Parcel created by Subdivision that includes Affordable Units, multiply the number of Affordable Units by the Tax per Unit for such Affordable Units, except for Large Lot Parcel Number 3 (CO-21), for which the Affordable Units are not assigned a Maximum Annual Special Tax.
 - C. Sum the Maximum Annual Special Tax for each Taxable Successor Parcel and compare it to the Maximum Annual Special Tax of the Original or Successor Parcel that is being Subdivided. If the sum of Maximum Annual Special Tax for each Taxable Successor Parcel is greater than the Maximum Annual Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Special Tax calculated above for each Taxable Successor Parcel.
 - D. If the Maximum Annual Special Tax for the Original Parcel or Successor Parcel that is being subdivided is greater than the sum of Maximum Annual Special Tax for each Taxable Successor Parcel being created, increase proportionately the Maximum Annual Special Tax per Unit or Per Acre (excluding the Maximum Annual Special Tax for Affordable Units consistent with **Section 4.c.1.B**) on each Taxable Successor Parcel such that the sum of Maximum Annual Special Tax for all Taxable Successor Parcels equals the Maximum Annual Special Tax for the Original Parcel.
4. If an Original or Successor Parcel is Zoned, Rezoned and/or Subdivided into Light Industrial Uses and One or more Remainder Parcels. In the event that a Large Lot Map is recorded and/or any Taxable Parcels are zoned to light industrial use creating one or

more Taxable Parcels that are Light Industrial Uses and Remainder Parcels, there shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Special Tax to Light Industrial Parcels and Remainder Parcels from such Subdivision. The Maximum Annual Special Tax shall be assigned to Light Industrial Parcels or Remainder Parcels using the greater of the following items:

- A. Multiply the Taxable Acreage for each Light Industrial Parcel and for each Remainder Parcel by the Maximum Special Tax per Acre for Light Industrial Uses from **Attachment 2**. Sum the Maximum Annual Special Tax from each new Light Industrial Parcel and each new Remainder Parcel and compare the sum to the Maximum Annual Special Tax from the Original Parcel(s) or Successor Parcel(s) being Subdivided. If the sum of Maximum Annual Special Tax for each new Light Industrial Parcel and new Remainder Parcel is greater than the Maximum Annual Special Tax for the Original Parcel(s) or Successor Parcel(s), the Administrator shall apply the Maximum Annual Special Tax as so calculated for each new Light Industrial Uses and Remainder Parcel. If the sum of Maximum Annual Special Taxes from all new Light Industrial Uses and Remainder Parcels is less than the Maximum Annual Special Tax from the Original Parcel(s) or Successor Parcel(s) being subdivided, assign the Maximum Annual Special Tax to each new Light Industrial Uses and Remainder Parcel as described below.
- B. Sum the Maximum Annual Special Tax from all Original or Successor Parcels being Subdivided. Allocate this total Maximum Annual Special Tax to each new Light Industrial and Remainder Parcel created by the Subdivision on a pro rata basis to all such Light Industrial Parcels and Remainder Parcels based on the percentage share of Taxable Acreage identified for each Light Industrial Parcel and Remainder Parcel.
- d. 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 Special Tax per Unit based on their Tax Category as shown in **Attachment 1**, as adjusted by the Tax Escalation Factor.
- e. Transfer of the Assigned Maximum Annual Special Tax from One Large Lot to Another. The Maximum Annual Special Taxes shown in **Attachment 1** 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 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 Finance Director, 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** 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 **Attachment 1**. Before the transfer, the City may require a deposit from the

requesting property owner for such costs. If such a transfer is requested and approved by the Finance Director, the Administrator may apply the following steps to redistribute the Maximum Special Tax among the Parcels:

- Step 4.e.1. Determine the Maximum Annual Special Tax associated with the land uses that will be transferred by multiplying the number of residential Units or nonresidential Acreage by the Maximum Annual Special Tax Rate per Unit identified for the Units or Acreage in **Attachment 1** (escalated by the Tax Escalation Factor to the then-current Fiscal Year).
 - Step 4.e.2. Subtract the amount determined in *Step 4.e.1.* from the Maximum Annual Special Tax for the Large Lot Parcel from which the Units or Acreage will be transferred to determine the new Maximum Annual Special Tax for the Large Lot Parcel.
 - Step 4.e.3. Add the amount determined in *Step 4.e.1.* to the Maximum Annual Special Tax for the Large Lot Parcel to which the Units or Acreage is being transferred to determine the new Maximum Annual Special Tax for the Large Lot Parcel.
- f. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is transferred to a private owner, it shall 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**.
 - g. Taxable Parcels Acquired by a Public Agency A Taxable Parcel acquired by a public agency shall be reclassified as a Tax-Exempt Parcels and is no longer subject to the Special Tax levy.

5. 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 Special Tax to Taxable Parcels. The Maximum Annual 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**.

6. Calculating Annual Special Taxes

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

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

- b. For all Taxable Parcels, calculate the Special Tax levy for each using the following steps:
- Step 1: Compute 100 percent of the Maximum Annual Special Tax Revenue for all Developed Parcels.
 - Step 2: Compare the Annual Costs with the amount calculated in the previous step.
 - Step 3: If the Annual Costs are lower than the amount calculated in Step 1, decrease proportionately the Maximum Annual Special Tax levy for each Developed Parcel until the revenue from the Special Tax levy equals the Annual Costs.
 - Step 4: If the Annual Costs are greater than the amount calculated in Step 1, increase proportionately the Maximum Annual Special Tax levy for each Final Use Small Lot Parcel until the revenue from the Special Tax levy equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Final Use Small Lot Parcels, if needed to fund Annual Costs.
 - Step 5: If the Annual Costs are greater than the amount calculated in Step 1 and Step 4, increase proportionately the Maximum Annual Special Tax levy for each Small Lot Tentative Map Parcel until the revenue from the Special Tax levy equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Small Lot Tentative Map Parcels, if needed to fund Annual Costs.
 - Step 6: If the Annual Costs are greater than the amount calculated in Step 1, Step 4, and Step 5, increase proportionately the Maximum Annual Special Tax levy for each Large Lot Parcel until the revenue from the Special Tax levy equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Large Lot Parcels, if needed to fund Annual Costs.
 - Step 7: If the Annual Costs are greater than the amount calculated in Step 1, Step 4, Step 5, and Step 6, increase proportionately the Maximum Annual Special Tax levy for each Undeveloped Parcel until the revenue from the Special Tax levy equals the Annual Costs, or 100 percent of the Maximum Annual Special Tax for all Undeveloped Parcels, if needed to fund Annual Costs.
- c. Levy on each Taxable Parcel the amount calculated above.
- d. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 8**, 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 not be sent 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 correct any errors in determining which Parcels are subject to the tax and their Special Tax assignments.

7. 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 Finance Director appealing the levy of the Special Tax. The Finance Director then

will promptly review the appeal and, if necessary, will meet with the applicant. If the Finance Director 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 Finance Director 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 only affects such owner's land and does not reduce the total Maximum Annual Special Tax Revenue for the CFD.

8. 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
 HP Campus Oaks CFD No. 2 (Public Services)
 Maximum Annual Special Tax in the Base Year [1]

Large Lot Number	Specific Plan Lot Designation	Assessor's Parcel Number	Tax Category	Acres	No. of Units	Maximum Annual Special Tax Rate per Unit [2]	Unit of Measure	Maximum Annual Special Tax per Large Lot [2]
1	CO-31	017-231-016	BP	5.45	n/a	\$2,590	per Acre	\$14,116
2	CO-41	017-231-017	CC	13.16	n/a	\$1,560	per Acre	\$20,530
3	CO-21	017-231-018	HDR	4.94	87	\$177	per Unit	\$15,399
3	CO-21	017-231-018	HDR/Aff Very Low		38	\$0	per Unit	\$0
Lot 3 Subtotals				4.94	125			\$15,399
4	CO-42	017-231-019	CC	6.20	n/a	\$1,560	per Acre	\$9,672
5	CO-51	017-231-020	T/BP-LI	15.20	n/a	\$547	per Acre	\$8,314
6	CO-75	017-231-021	P/QP	2.20	0	Tax-Exempt		\$0
7	CO-5	017-231-022	MDR	4.66	27	\$352	per Unit	\$9,504
7	CO-5	017-231-022	MDR/Affordable		19	\$177	per Unit	\$3,363
Lot 7 Subtotals				4.66	46			\$12,867
8	CO-4	017-231-023	MDR	8.37	84	\$352	per Unit	\$29,568
9	CO-22	017-231-024	HDR	7.19	95	\$177	per Unit	\$16,815
9	CO-22	017-231-024	HDR/Aff Low		24	\$0	per Unit	\$0
Lot 9 Subtotals				7.19	119			\$16,815
10	CO-15	017-231-025	MDR	2.51	19	\$352	per Unit	\$6,688
11	CO-52	017-231-026	T/BP-LI	17.64	n/a	\$547	per Acre	\$9,649
12	CO-13	017-231-027	MDR	3.40	24	\$352	per Unit	\$8,448
13	CO-14	017-231-028	MDR	4.42	50	\$352	per Unit	\$17,600
14	CO-7	017-231-029	LDR	9.78	58	\$352	per Unit	\$20,416
15	CO-11	017-231-030	MDR	4.72	34	\$352	per Unit	\$11,968
16	CO-12	017-231-031	MDR	4.89	34	\$352	per Unit	\$11,968
17	CO-16	017-231-032	MDR	2.65	19	\$352	per Unit	\$6,688
18	CO-23	017-231-033	HDR	4.93	58	\$177	per Unit	\$10,266
18	CO-23	017-231-033	HDR/Aff Low		14	\$0	per Unit	\$0
Lot 18 Subtotals				4.93	72			\$10,266
19	CO-6	017-231-034	LDR	8.14	48	\$352	per Unit	\$16,896
20	CO-1	017-231-035	LDR	6.10	36	\$352	per Unit	\$12,672
21	CO-24a	017-231-036	HDR	2.35	40	\$177	per Unit	\$7,080
22	CO-24b	017-231-037	HDR	2.35	40	\$177	per Unit	\$7,080
23	CO-3	017-231-038	LDR	16.58	64	\$352	per Unit	\$22,528
24	CO-76	017-231-039	P/QP	0.32	n/a	Tax-Exempt		\$0
25	CO-2	017-231-040	LDR	6.21	36	\$352	per Unit	\$12,672
C	CO-62	017-231-041	Tax-Exempt	5.70	n/a	Tax-Exempt		Tax-Exempt
B	CO-63	017-231-042	Tax-Exempt	0.90	n/a	Tax-Exempt		Tax-Exempt
A	CO-61	017-231-043	Tax-Exempt	2.20	n/a	Tax-Exempt		Tax-Exempt
D	CO-81	017-231-044	Tax-Exempt	0.84	n/a	Tax-Exempt		Tax-Exempt
E	CO-82	017-231-045	Tax-Exempt	0.86	n/a	Tax-Exempt		Tax-Exempt
F	CO-65	017-231-046	Tax-Exempt	1.30	n/a	Tax-Exempt		Tax-Exempt
G	CO-64	017-231-047	Tax-Exempt	2.40	n/a	Tax-Exempt		Tax-Exempt
Totals				197.88	948			\$309,900

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[1] FY 2016-17 is the Base Year

[2] Increases in each Fiscal Year following the Base Year by the Tax Escalation Factor.

Attachment 2
HP Campus Oaks CFD No. 2 (Public Services)
Maximum Annual Special Tax per Tax Category - Base Year [1]

Tax Category	Maximum Annual Special Tax per Unit or Per Acre [2]	Unit of Measure	Original Parcel/ Large Lot Parcel Numbers	Original Assessor's Parcel Numbers
LDR	\$352.00	Per Unit	(20, 25, 23, 19, 14)	017-231-035, 017-231-040, 017-231-038, 017-231-034, 017-231-029
MDR	\$352.00	Per Unit	(7 - portion, 8, 15, 16, 12, 10, 17)	017-231-030, 017-231-031, 017-231-027, 017-231-025, 017-231-032 017-231-022 (portion), 017-231-023
MDR (Affordable)	\$177.00	Per Unit	(7 - portion)	017-231-022 (portion)
HDR	\$177.00	Per Unit	(3 - portion, 9 - portion, 18 - portion, 21, 22)	017-231-018 (portion), 017-231-024 (portion), 017-231-033 (portion) 017-231-036, 017-231-037
HDR Affordable Low	\$0.00	Per Unit	(9 - portion, 18 - portion)	017-231-024 (portion), 017-231-033 (portion)
HDR Affordable Very Low	\$0.00	Per Unit	(3 - portion)	017-231-018 (portion)
BP	\$2,590.00	Per Acre	(1)	017-231-016
CC	\$1,560.00	Per Acre	(2, 4)	017-231-017, 017-231-019
T/BP-LI	\$547.00	Per Acre	(5, 11)	017-231-020, 017-231-026

[1] FY 2016-17 is the Base Year

[2] Increases in each Fiscal Year following the Base Year by the Tax Escalation Factor.

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EXHIBIT B:
List of Authorized Services

EXHIBIT B

**HP Campus Oaks
Community Facilities District No. 2 (Public Services)
City of Roseville
Placer County, California**

The authorized services to be funded from the levy and collection of annual special taxes include those set forth below in addition to the costs associated with collecting and administering the special taxes and annual administering the District for the HP Campus Oaks Project (Project). The authorized services to be funded for the HP Campus Oaks Community Facilities District (CFD) No. 2 (Public Services) include these:

1. Open Space improvement, operations and management, monitoring, maintenance (including general maintenance, signage, City owned fence maintenance, trash and debris collection, and bike trails and their appurtenances [drainage culverts or pipes from adjacent subdivisions] within open space), creation and maintenance of fire breaks, Permits, Vandalism/Graffiti, Flood Conveyance (Vegetation/tree removals), Beaver dam removals, Outfall/drainage swale maintenance, Erosion control/bank stabilization, Native planting/replanting, Pre and post emergent, maintenance activities as required by the 404 permit and Open Space Overarching Maintenance & Management Plan and repair and replacement of facilities within open space areas in the Project Area.
2. The maintenance of on-site landscape corridors and paseos designed to serve the Project Area, including general maintenance, masonry walls, accent lighting, water and utility costs.
3. The maintenance of medians, entries, and entry monumentation.
4. The performance of leaf pick-up and street sweeping along the following roads:
 - Woodcreek Oaks Boulevard (east side only)
 - Blue Oaks Boulevard (south side only)
 - HP Way
 - Painted Desert Road
 - Crimson Ridge Road
5. Neighborhood Park maintenance, and repair and replacement.
6. Storm water management, water quality structural controls, including drainage swales constructed between storm drain facilities and receiving waters.
7. Bus Transfer Station, bus shelters, bus stops and any park and ride lots as well as bus signs.

8. Miscellaneous costs related to any of the items described above including planning, engineering, GIS, legal, and city and county administration costs.
9. The levy of special taxes to accumulate sinking funds for anticipated future repairs or replacement costs of landscape corridors, irrigation facilities, medians, entries and entry monumentation, lighting, neighborhood parks, storm water management and other facilities maintained by the CFD as determined by the Administrator.