Meeting Date: **1/13/2015**

Report Type: Staff/Discussion

Report ID: 2015-00007

12

City of SACRAMENTO

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Initiate Formation Proceedings and Submit Property Owner Advisory Question for the Sacramento Streetcar Community Facilities District No. 2015-01

Location: District 4

Recommendation: Pass 1) a Motion to submit an advisory question to the property owners within the boundaries of the proposed CFD and set a time and place for public opening of the responses; 2) a Resolution of intention to establish the CFD, levy a special tax, approve the boundary map, and set the public hearing date for February 24, 2015; and 3) a Resolution declaring the necessity to incur bonded indebtedness.

Contact: Sheri Smith, Program Specialist, (916) 808-7204; Mark Griffin, Program Manager, (916) 808-8788, Department of Finance

Presenter: Fedolia "Sparky" Harris, Principal Planner, (916) 808-2996, Department of Public Works; Denise Malvetti, Senior Project Manager, (916) 808-7064, Economic Development Department; Sheri Smith, Program Specialist, (916) 808-7204, Department of Finance

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

1-Description/Analysis
2-Background
3-Schedule of Proceedings
4-Resolution of Intention
5-Exhibit A - Boundary Map
6-Exhibit B- Authorized Facilities
7-Exhibit C
8-Exhibit D - RMA
9-Resolution to Incur Bonded Indebtedness Streetcar CFD

City Attorney Review

Approved as to Form
Joseph Cerullo
1/7/2015 7:30:16 PM

Approvals/Acknowledgements

Department Director or Designee: Dennis Kauffman - 12/30/2014 9:02:58 AM

James Sanchez, City Attorney Shirley Concolino, City Clerk Russell Fehr, City Treasurer
John F. Shirey, City Manager

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Description/Analysis

Issue: The City has been working in cooperation with the City of West Sacramento, the Sacramento Regional Transit, the Yolo County Transportation District, and the Sacramento Area Council of Governments to complete the engineering, environmental analysis, and special studies necessary to seek $75 million in grant funding through the Federal Transit Administration (FTA) to help fund the Downtown/Riverfront Streetcar Starter Line. The FTA Small Starts grant funding under consideration requires a 50% non-federal match. The current funding plan assumes $30 million in funding from the proposed Sacramento Streetcar Community Facilities District No. 2015-01 (CFD), as part of this match.

Councilmember Hansen requested, at the meeting of November 6, 2014, that staff submit a report to initiate proceedings, under Government Code section 53318, to form the CFD to finance a portion of construction of the Sacramento Streetcar Project. Approval of the Resolution of Intention is the first step in the formation process. The special tax for the CFD must still be approved by 2/3 majority of qualified electors who vote in an election on the tax.

The proposed boundaries of the CFD run through downtown and midtown, and, since more than 12 registered voters reside within the proposed CFD, state law requires that the election of the tax be by those registered voters, not by the property owners. To alleviate the property owners' concerns and ensure that the property owners have a voice, staff recommends submitting an advisory question to the property owners with regard to moving forward with CFD formation. If more than 50% of the advisory responses are positive, with each response weighted according to the estimated amount of each property owner's tax, then staff will return with a report on February 24, 2015, to continue with CFD formation; if more than 50% of the responses are negative, then staff will return with a report to abandon formation proceedings.

Policy Considerations: The procedures under which the CFD is being formed are set forth in the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311 through 53368.3). Formation of the CFD is consistent with the City's *Policies and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities*, as amended, adopted August 9, 1994, by Resolution 94-491 (Mello-Roos Policy).

Environmental Considerations: Under the California Environmental Quality Act Guidelines, the formation of a community facilities district, by itself, does not constitute a project and is therefore exempt from review. (Cal. Code Regs., title 14, § 15378(b)(4).)

Rationale for Recommendation: The actions in the recommended Resolutions are required by the Mello-Roos Community Facilities Act of 1982 in order to initiate the process to form the CFD.

Financial Considerations: The total project cost is $150 million, and the estimated sources and uses of funds are outlined in the Background section of this report. Proceeds of approximately $30 million are anticipated from the CFD through a bond sale or other financing mechanism supported by the CFD's special tax. The special-tax revenue will be used for the sole purpose of funding debt service, construction, and administrative expenses for a portion of the total project cost.

Local Business Enterprise (LBD): Not applicable.

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Background

Project Information

The Streetcar project is a proposed 3.3-mile line that will extend from the West Sacramento Civic Center, past Old Sacramento, through Downtown, and to the City of Sacramento's Midtown entertainment-and-retail district. Streetcar stops will be spaced approximately every 3 blocks, creating access to Sacramento destinations such as the Sacramento Valley Station, the Downtown Entertainment and Sports Center, the Sacramento Community Center Theater, the State Capitol Building, and the Sacramento Convention Center, as well as to offices, major hotels, restaurants, retail shops, and other amenities along the streetcar line.

Financing Information

The total project is estimated to cost $150 million to construct. In May 2014, the Federal Transit Administration approved the Streetcar project into the Project Development phase of the Small Starts Grant process. A formal application to be considered for a Small Starts Grant Agreement was submitted in September 2014. Preliminary engineering has been completed and public review of the environmental analysis is anticipated to be completed in January 2015.
The proposed CFD will provide funding of approximately $30 million towards the construction of the streetcar line, as shown in the sources below. The City has been working closely with stakeholders, primarily through the Streetcar Business Advisory Committee, to develop a reasonable tax formula to apply to the proposed CFD. Following outreach to the Business Advisory Committee, the decision was made, for this project only, to submit an advisory question to the property owners before the registered-voter election on the special tax. This decision was made to demonstrate the commitment of the property owners who would bear the burden of the special tax ahead of a vote of largely non-owner registered voters. The intention of staff is to only move forward with formation if the advisory question results in a majority affirmative outcome of property owner responses, weighted by the proposed levy.

Sources	
Federal Transit Administration	$75,000,000
City of West Sacramento	$25,000,000
State of California	$10,000,000
County of Sacramento	$3,000,000
City of Sacramento	$7,000,000
Community Facilities District	$30,000,000
	$150,000,000
Uses	
Guideway and Track Elements	$14,902,000
Stations/Stops	$2,103,000
Maintenance Facility	$15,852,000
Sitework and Special Conditions	$20,156,000
Systems (e.g., power, controls, signals)	$26,094,000
Vehicles	$31,533,000
Professional Services (engineering, construction admin, legal, surveys)	$25,336,000
Unallocated Contingency	$14,024,000
	$150,000,000

Because public entities cannot be levied with the CFD's special tax, it is proposed that the public agency property owners contribute to the project along with the private-sector partners. The City of Sacramento owns approximately 14% of the land in the proposed CFD.

At the January 13th Council Meeting, Council will also be asked to pass a motion to assign $7 million to the streetcar project, subject to future appropriation authority once funding sources are finalized.

Special Tax

The special tax will be levied within four zones with tax rates that reflect proximity to the track, as shown on the map in Exhibit A to the Resolution of Intention.

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SCHEDULE OF FORMATION PROCEEDINGS

SACRAMENTO STREETCAR COMMUNITY FACILITIES DISTRICT NO. 2015-01
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

January 13, 2015	**City Council – Initiate Proceedings** ○ Adopt Resolution of Intention to Form CFD and Levy Special Tax (sets hearing date and approves boundary map) ○ Adopt Resolution Declaring the Necessity to Incur Bonded Indebtedness ○ Submit Property Owner Advisory Question

January 14, 2015	Record Boundary Map
February 12, 2015	Publish Notice of Hearing
February 17, 2015	Public Opening of Advisory Question Ballots
February 24, 2015	City Council – Public Hearing and Notice for a Special Election If Advisory Question Response is Favorable: ○ Conduct Public Hearing ○ Adopt Resolutions approving various Joint Community Facilities Agreements (if needed) ○ Adopt Resolution of Formation ○ Adopt Resolution to Incur Debt ○ Adopt Resolution Calling Special Election If Advisory Question Response is Not Favorable: ○ Conduct Public Hearing ○ Adopt Resolution Abandoning Proceedings
June 2, 2015	Special Election Ballots Due
July 14, 2015	City Council ○ Adopt Resolution Declaring Results of Special Election ○ Pass for Publication Ordinance to Levy Tax
July 15, 2015	Record Notice of “Special Tax”
July 21, 2015	City Council Adopt Ordinance to Levy Special Tax

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RESOLUTION NO. 2015-XXXX

Adopted by the Sacramento City Council

January 13, 2015

RESOLUTION OF INTENTION TO ESTABLISH SACRAMENTO STREETCAR COMMUNITY FACILITIES DISTRICT NO. 2015-01, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE CONSTRUCTION, IMPROVEMENT, AND ACQUISITION OF CERTAIN PUBLIC FACILITIES

BACKGROUND

A. The City Council (the "**Council**") of the City of Sacramento (the "**City**") has duly considered the advisability and necessity of establishing a community facilities district within its jurisdictional boundaries and levying a special tax therein to finance the acquisition, improvement, and construction of certain public capital facilities under the Mello-Roos Community Facilities Act of 1982, set forth at Government Code sections 53311 through 53368.3 (the "**Act**").

B. The Council has determined that the establishment of the community facilities district is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Council and are now in effect.

C. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The Council finds that the statements in the Background are true.

Section 2. It is the intention of the Council, and the Council hereby proposes, to establish a community facilities district under the Act, to be known and designated as "Sacramento Streetcar Community Facilities District No. 2015-01, City of Sacramento, County of Sacramento, State of California" (the "**CFD**").

Section 3. The boundaries of the territory proposed for inclusion in the CFD are more particularly described and shown on a map titled "Boundary Map, Sacramento Streetcar Community Facilities District No. 2015-01, City of Sacramento, County of Sacramento, State of California" now on file in the office of the City Clerk (the "**Clerk**"), which map is hereby approved by the Council. A reduced copy of the map, marked Exhibit A, is attached to this resolution. The Council finds that the map is in the form and contains the

matters prescribed by Streets and Highways Code section 3110 and directs the Clerk to certify the adoption of this resolution on the face of the map. The Clerk is hereby authorized and directed to record a copy of the map with the Sacramento County Clerk/Recorder in accordance with Streets and Highways Code section 3111.

Section 4. The Council hereby finds that any property included within the boundary of the CFD that is currently devoted primarily to agricultural, timber, or livestock uses and being used for the commercial production of agricultural, timber, or livestock products will be benefited by the proposed facilities.

Section 5. It is the intention of the Council to finance the acquisition, improvement, and construction, pursuant to the Act, of the public facilities shown on Exhibit B attached to this resolution (the "**Facilities**"). All of the Facilities have an estimated useful life of five years or longer. They are public facilities that the City or other governmental agencies are authorized by law to construct, own, or operate, or to which they may contribute revenue.

Section 6. The cost of financing the acquisition, improvement, and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the CFD, the issuance of bonds and incurrence of other debt (as defined in the Act), the determination of the amount of any special taxes, and the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the CFD, together with any other expenses incidental to the acquisition and construction of the Facilities. A representative list of incidental expenses proposed to be incurred is set forth on Exhibit C attached to this resolution.

Section 7. It is the intention of the Council that, except where funds are otherwise available, a special tax be annually levied within the CFD in amounts sufficient to finance the acquisition and construction of the Facilities, including but not limited to the payment of interest on and principal of or other payments on bonds or other debt (as defined in the Act) to be issued to finance the acquisition and construction of the Facilities; the making of lease payments for Facilities (whether in conjunction with the issuance of certificates of participation or not); and the repayment of funds advanced by the City for the CFD, including the repayment under any agreement (which will not constitute a debt or liability of the City) of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the CFD.

Section 8. Upon recordation of a Notice of Special Tax Lien under Streets and Highways Code section 3114.5, a continuing lien to secure each levy of the special tax will attach to all nonexempt real property in the CFD, and this lien will continue in force and effect until the special-tax obligation is prepaid and permanently satisfied and the lien is cancelled in accordance with law, or until levy of the special tax by the City ceases.

Section 9. It is the intention of the Council that the proposed special tax will be collected through the regular County of Sacramento secured property-tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem property taxes; however, the Council reserves the right to use any other lawful means of billing, collecting, and enforcing the special tax, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the special-tax lien.

Section 10. The rate and method of apportionment of the special tax, including the maximum annual special tax, is set forth on Exhibit D attached to this resolution. Exhibit D provides sufficient detail to allow each landowner or resident within the CFD to estimate the maximum amount that such person will have to pay. As required by the Act, (a) the maximum authorized special tax for financing the acquisition, improvement, and construction of the Facilities that may be levied against any parcel used for private residential purposes (which use begins no later than the date on which an occupancy permit for private residential use is issued) is specified as a dollar amount which will be calculated and thereby established no later than the date on which the parcel is first subject to the special tax because of its use for private residential purposes and will not increase; (b) the special tax will not be levied against such property after fiscal year 2054/55; and (c) under no circumstances will the special tax levied on property in any fiscal year be increased on the property, as a consequence of delinquency or default by the owner of any other parcel or parcels within the CFD, by more than ten percent above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

Section 11. It is the intention of the Council, under Government Code section 53340.1, to levy the special tax on the leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in such property.

Section 12. It is the intention of the Council, under Government Code section 53325.7, to establish the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIIIB of the California Constitution, for fiscal year 2015/16 for the CFD in the amount of $38 million.

Section 13. Notice is given that Tuesday, February 24, 2015, at 6:00 p.m., has been fixed by the Council as the time and place for a public hearing to be held by the Council to consider the establishment of the CFD; the proposed rate, method of apportionment, and manner of collection of the special tax; and all other matters as set forth in this resolution. The public hearing will be held in the Council Chambers in New City Hall, 915 I Street, Sacramento, California. At the public hearing, any persons interested, including all taxpayers, property owners, and registered voters within the CFD, may appear and be heard, and the Council will hear and consider the testimony of all interested persons and taxpayers for or against the establishment of the CFD; the levy of the special tax; the extent of the CFD; the acquisition, improvement, or construction of any of the Facilities; the establishment of the appropriations limit; and any other matters set forth in this resolution.

Section 14. Any protests to the proposals in this resolution may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of these proceedings must be in writing and clearly set forth the irregularities and defects to which objection is made. The Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the Clerk at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Section 15. These proceedings will be suspended for at least one year if written protests are submitted by fifty percent or more of the registered voters or six registered voters, whichever is more, residing within the CFD, or by the owners of one-half or more of the land area within the CFD not exempt from the proposed special tax. If protests are directed only against certain elements of the proposed Facilities or the special tax or the other proposals contained in this resolution, then only those matters need be excluded from the proceedings.

Section 16. The public hearing may be continued from time to time but must be completed within thirty days. If, however, the Council finds that the complexity of the CFD or the need for public participation requires additional time, then the public hearing may be continued from time to time for a period not to exceed six months.

Section 17. The Council may at the public hearing modify this resolution by eliminating any of the Facilities, or by changing the method of apportionment of the special tax so as to reduce the maximum special tax for all or a portion of the owners of property within the CFD, or by removing any territory from the CFD, except that if the Council proposes to modify this resolution in a

way that will increase the probable (as distinct from the maximum, which may not be increased) special tax to be paid by the owner of any lot or parcel in the CFD, then the Council shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of such lots or parcels, and the Council must receive and consider such report before approving any such modifications or any resolution forming the CFD that includes such modifications.

Section 18. At the conclusion of the public hearing, the Council may abandon these proceedings or may, after passing upon all protests, determine to proceed with establishing the CFD. If the Council determines at the conclusion of the public hearing to proceed with the establishment of the CFD, then it expects that the proposed voting procedure will be by registered voters voting in accordance with the Act, with each voter having one vote.

Section 19. The Manager of the Public Improvement Finance Division of the City Finance Department (the "**Manager**") is hereby directed to study the CFD and, at or before the time of the public hearing, to cause to be prepared and filed with the Council a report briefly describing by type the facilities that, in his opinion, will be required to adequately meet the needs of the CFD, together with estimates of the cost of financing the acquisition, improvement, and construction of the Facilities and an estimate of the incidental expenses related thereto. The report, upon its presentation, will be submitted to the Council for review, will be available for inspection by the public, and will be made a part of the record of the public hearing. The Manager may retain consultants to prepare the report.

Section 20. In the opinion of the Council, the public interest will not be served by allowing the property owners in the CFD to enter into a contract under Government Code section 53329.5, subdivision (a), to do the work to be financed under the Act.

Section 21. The Council intends to reserve to itself the right and authority to allow bond tenders from any interested landowner within the CFD to be accepted under Government Code sections 53344.1 and 53356.8 in full or part payment of any installment of the special taxes or the interest or penalties thereon.

Section 22. The Clerk shall give notice of the time and place of the public hearing by publishing once in the *SACRAMENTO BULLETIN*, a newspaper of general circulation published in the area of the CFD, a Notice of Public Hearing in the form required by the Act. Publication must be completed at least seven days before the date set for the public hearing.

Section 23. This resolution takes effect when adopted.

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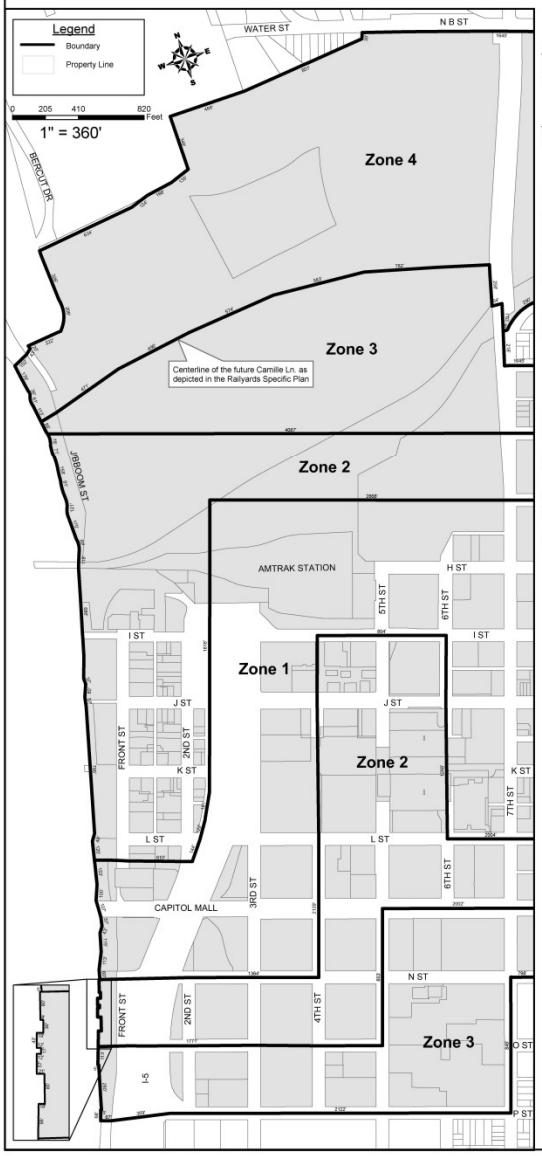
EXHIBIT A

SACRAMENTO STREETCAR COMMUNITY FACILITIES
DISTRICT NO. 2015-01,
CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA

BOUNDARY MAP

Boundary Map
Sacramento Streetcar
Community Facilities District No. 2015-01
City of Sacramento, County of Sacramento,
State of California

Sheet 1 of 2



CLERK'S MAP FILING STATEMENT:

FILED IN THE OFFICE OF THE CLERK OF CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS_____DAY OF_____, 2015,

_____
CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE:

I HEREBY CERTIFY THAT THE MAP SHOWING THE BOUNDARIES OF THE SACRAMENTO STREETCAR COMMUNITY FACILITIES DISTRICT NO. 2015-01, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF, HELD ON THE_____DAY OF_____ 2015, BY ITS RESOLUTION NO. _____

_____
CITY CLERK,
CITY OF SACRAMENTO, CALIFORNIA

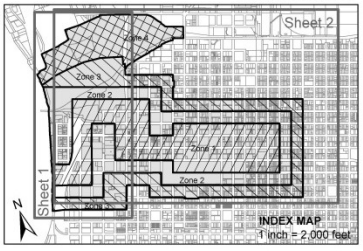
COUNTY RECORDER'S FILING STATEMENT:

FILED THIS_____DAY OF _____, 2015 AT THE HOUR OF _____O'CLOCK ___M., IN BOOK_____OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE_____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA,

_____
COUNTY RECORDER
OF THE COUNTY OF SACRAMENTO, CALIFORNIA

BY_____
DEPUTY DOCUMENT NO._____

City of SACRAMENTO
Finance Department



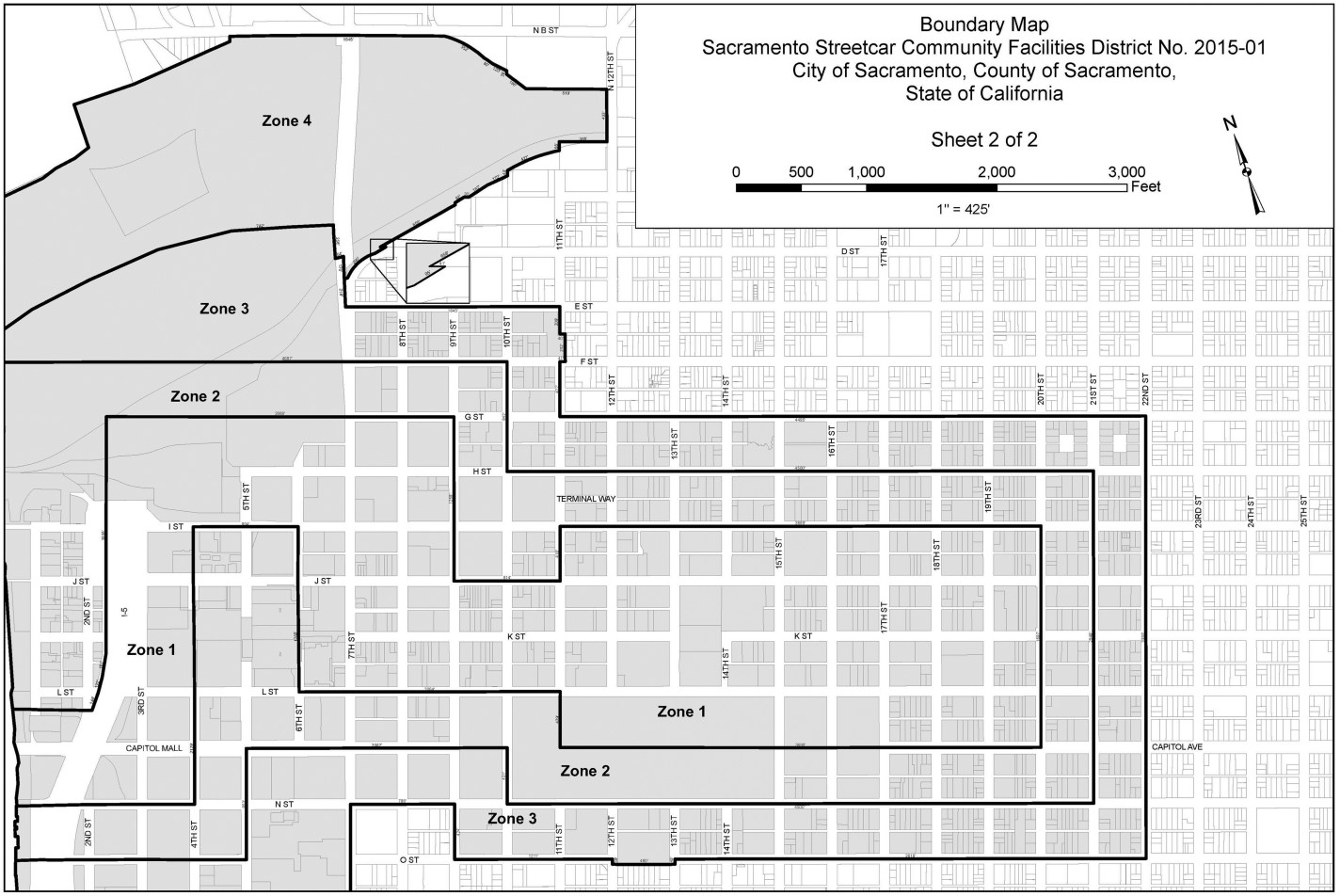

Boundary Map
Sacramento Streetcar Community Facilities District No. 2015-01
City of Sacramento, County of Sacramento,
State of California
Sheet 2 of 2
0 500 1,000 2,000 3,000 Feet
1" = 425'
N
Zone 1
Zone 2
Zone 3
Zone 4
N B ST
D ST
E ST
F ST
G ST
H ST
I ST
J ST
K ST
L ST
N ST
O ST
TERMINAL WAY
CAPITOL MALL
CAPITOL AVE
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EXHIBIT B

SACRAMENTO STREETCAR COMMUNITY FACILITIES
DISTRICT NO. 2015-01,
CITY OF SACRAMENTO,
COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA

LIST OF AUTHORIZED FACILITIES

The types of facilities to be financed by Sacramento Streetcar Community Facilities District No. 2015-01 (the "**CFD**") include tracks, streetcar vehicles, streetcar stations and platforms, related sidewalk infrastructure, structural and streetscape improvements, relocation or installation of above- and below-ground utilities, utility-access points, street paving, drainage, curb and gutter modifications and improvements, maintenance facilities, facilities for providing electricity to the system (including overhead wires and utility substations) and related infrastructure, traffic signalization and related systems, signage, wayfinding and lighting and landscaping related thereto, electronic and mechanical systems and programming therefor, and land rights-of-way and easements necessary for any of these facilities. More specifically, but without limiting the foregoing general description and using Federal Transportation Administration cost categories, the CFD may finance the following:

10 GUIDEWAY & TRACK ELEMENTS

10.01 Guideway: At-grade exclusive right-of-way
10.02 Guideway: At-grade semi-exclusive (allows cross-traffic)
10.03 Guideway: At-grade in mixed traffic
10.04 Guideway: Aerial structure
10.05 Guideway: Built-up fill
10.06 Guideway: Underground cut & cover
10.07 Guideway: Underground tunnel
10.08 Guideway: Retained cut or fill
10.09 Track: Direct fixation
10.10 Track: Embedded
10.11 Track: Ballasted
10.12 Track: Special (switches, turnouts)
10.13 Track: Vibration and noise dampening

20 STATIONS, STOPS, TERMINALS, INTERMODAL

20.01 At-grade station, stop, shelter, mall, terminal, platform
20.02 Aerial station, stop, shelter, mall, terminal, platform
20.03 Underground station, stop, shelter, mall, terminal, platform
20.04 Other stations, landings, terminals: Intermodal, ferry, trolley, etc.

20.05 Joint development
20.06 Automobile parking multi-story structure
20.07 Elevators, escalators

30 SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS

30.01 Administration Building: Office, sales, storage, revenue counting
30.02 Light Maintenance Facility
30.03 Heavy Maintenance Facility
30.04 Storage or Maintenance of Way Building
30.05 Yard and Yard Track

40 SITEWORK & SPECIAL CONDITIONS

40.01 Demolition, Clearing, Earthwork
40.02 Site Utilities, Utility Relocation
40.03 Haz. mat'l, contam'd soil removal/mitigation, groundwater treatments
40.04 Environmental mitigation, e.g. wetlands, historic/archeologic, parks
40.05 Site structures including retaining walls, sound walls
40.06 Pedestrian / bike access and accommodation, landscaping
40.07 Automobile, bus, van accessways including roads, parking lots
40.08 Temporary Facilities and other indirect costs during construction

50 SYSTEMS

50.01 Train control and signals
50.02 Traffic signals and crossing protection
50.03 Traction power supply: substations
50.04 Traction power distribution: catenary and third rail
50.05 Communications
50.06 Fare collection system and equipment
50.07 Central Control

60 ROW, LAND, EXISTING IMPROVEMENTS

60.01 Purchase or lease of real estate
60.02 Relocation of existing households and businesses

70 VEHICLES

70.01 Light Rail
70.07 Spare parts

80 PROFESSIONAL SERVICES

80.01 Project Development
80.02 Engineering (not applicable to Small Starts)
80.03 Project Management for Design and Construction
80.04 Construction Administration & Management

80.05 Professional Liability and other Non-Construction Insurance

80.06 Legal; Permits; Review Fees by other agencies, cities, etc.

80.07 Surveys, Testing, Investigation, Inspection

80.08 Start up

90 UNALLOCATED CONTINGENCY

In addition, the CFD may finance project enhancements or increases in project scope beyond what was submitted in the funding application to the Federal Transportation Administration on September 10, 2014, so long as the City Council and the board of directors of the non-profit organization contracted to operate the streetcar project has reviewed and approved the financing of such enhancements or increases.

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EXHIBIT C

SACRAMENTO STREETCAR COMMUNITY FACILITIES DISTRICT NO. 2015-01
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

REPRESENTATIVE LISTING OF INCIDENTAL EXPENSES AND BOND-ISSUANCE COSTS

The following list, which is not exhaustive, identifies incidental expenses that may be incurred in the proceedings for formation of the Sacramento Streetcar Community Facilities District No. 2015-01 (the "**CFD**") or in the construction, improvement, and acquisition of the authorized public facilities or the related bond financing, and they are payable from proceeds of bonds or directly from the proceeds of the Special Tax:

- Special tax consultant services
- City, Participating District staff review, oversight and administrative services
- Services of bond counsel and disclosure counsel
- Services of financial advisors
- Services of special-tax administrators
- Services of appraisers and market-absorption consultants
- Services of bond-transfer agents, fiscal agents, registrars, paying agents, and rebate-calculation consultants
- Bond printing and the printing and mailing of a Preliminary Official Statement and Official Statement
- Publishing, mailing, and posting of notices
- Recording fees
- Underwriter's discount
- Bond-reserve fund
- Capitalized interest
- Governmental notification and filing fees
- Credit-enhancement costs
- Rating-agency fees
- Continuing-disclosure services
- Any other incidental expenses of a like nature that may be incurred from time to time with respect to the CFD

The expenses of certain recurring services pertaining to the CFD may be included in each annual special-tax levy, and these expenses are described in the definition of "Administrative Expenses" set forth in the Rate and Method of Apportionment of Special Tax attached to this resolution as Exhibit D.

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EXHIBIT D

Sacramento Streetcar Community Facilities District No. 2015-01
City of Sacramento, County of Sacramento, State of California

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

1. Basis of Special Tax Levy

Acting under the Mello-Roos Community Facilities Act of 1982, the City of Sacramento will levy and collect a special tax on land within the Sacramento Streetcar Community Facilities District No. 2015-01, City of Sacramento, County of Sacramento, State of California by applying the appropriate rate as described below.

2. Definitions

"**Act**" means the Mello-Roos Community Facilities Act of 1982, as amended, set out at Government Code section 53311 and following.

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

- Costs of calculating the Special Tax and preparing annual collection schedules for the Special Tax (whether incurred by the City or any City designee).
- Costs of collecting, auditing, and accounting for the Special Tax (whether incurred by the County, the City, or otherwise).
- Costs of remitting the Special Tax to the Trustee.
- Costs of any Trustee (including its legal counsel) in the discharge of the duties required of it under any indenture for any Bonds.
- Costs to the City or to any City designee of complying with arbitrage-rebate requirements.
- Costs to the City or to any City designee of complying with continuing-disclosure requirements for the City or for any obligated persons.
- Costs associated with preparing disclosure statements for any Bonds.
- Costs incurred in responding to public inquiries regarding the Special Tax.
- Costs to the City or to any City designee related to any appeal of the Special Tax.
- Costs associated with the release of funds from an escrow account, if any.
- Costs to the City for the issuance and sale of Bonds authorized for the CFD that are not recovered through the proceeds of the Bond sale. Such costs include the cost of services provided by City staff.

- Costs to the City for any other administrative purposes, including attorney's fees for legal advice and attorney's fees and other costs related to collection of the Special Tax and commencing and pursuing to completion any foreclosure of delinquent Special Taxes. Such costs include the cost of services provided by City staff.

"**Affordable Dwelling Unit**" means a Dwelling Unit on a Developed Parcel that is subject to recorded deed restrictions, resale restrictions, or regulatory agreements requiring that it be used to provide housing for persons or families that meet the definition of "lower income household," "very low income household," or "extremely low income household" in Health and Safety Code sections 50079.5, 50105, and 50106, respectively. A Dwelling Unit will no longer be considered an Affordable Dwelling Unit after termination of the restrictions and agreements.

"**Annual Costs**" means, for any Fiscal Year, the total of the following after subtracting any capitalized interest; any available earnings on, or surplus balances in, the reserve fund for Bonds or the Special Tax fund for the CFD; and any other available revenues of the City that relate to the CFD and may be lawfully used to pay Annual Costs:

- Debt Service due in the calendar year (i.e., January 1 to December 31) that begins in the Fiscal Year.
- The amount needed to replenish any reserve fund for Bonds to the level required under any indenture for any Bonds, to the extent not included in a computation of Annual Costs in a previous Fiscal Year.
- Administrative Expenses for the Fiscal Year.
- To the extent permitted by the Act, the amount needed to fund unpaid Special Tax delinquencies from previous Fiscal Years (to the extent not previously levied).
- Authorized Facilities to be funded on a Pay-As-You-Go Basis.
- Estimated prudent reserves for potential cost overruns during the Fiscal Year that are to be funded on a Pay-As-You-Go Basis.

"**Annual Special Tax**" means the Land Special Tax and the Developed Special Tax that are levied on a Taxable Parcel and collected each Fiscal Year.

"**Authorized Facilities**" means those facilities to be financed through the CFD, as identified in the resolution of formation for the CFD.

"**Bonds**" means any bonds issued by the City for the CFD under the Act and any other debt, as defined in the Act, the City incurs to further the CFD's purposes.

"**Building Area**" means the covered-and-enclosed area within the perimeter of a building with a Development Approval.

- For Residential Parcels, the Special Tax is based on the number of Dwelling Units, and no calculation of the Building Area is required.

- For Non-Residential Parcels, the calculation of the Building Area includes “chargeable covered and enclosed space” under Government Code section 65995(b)(2).
- For mixed-use buildings, the residential and non-residential portions of the building will be calculated separately using the calculations for Residential and Non-Residential Parcels.
- For a Non-Residential Condominium Unit, the Building Area is the habitable square footage of the Non-Residential Condominium Unit specified in the Development Plan for the Non-Residential Condominium Unit.
- The Building Area measurement will be determined in accordance with the City’s standard practices.
- The Building Area will be adjusted as a result of a Development Approval for expansion of a non-residential building.

“**CFD**” means the Sacramento Streetcar Community Facilities District No. 2015-01, City of Sacramento, County of Sacramento, State of California.

“CFD Administrator" means the City official or officials responsible for determining the Annual Costs and providing for the levy and collection of the Special Tax.

“**Charitable Non-Profit Organization**” means a non-profit organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

“**Charitable Non-Profit Parcel**” means a Parcel owned by a Charitable Non-Profit Organization.

“**City**” means the City of Sacramento, California.

“**Commercial-Parking Area**” means the area of a Taxable Parcel designated for Commercial Parking. For a parking structure, the Commercial-Parking Area is the total floor square footage designated on the Development Plan for Commercial Parking. For a surface parking lot, the Building Area is deemed, for purposes of Sections 4 and 5, to be the total land area used for Commercial Parking.

“**Commercial Parking**” means that there is an hourly, daily, or monthly charge to use the area designated for parking.

“**Condominium Building**” means a residential, commercial, or mixed-use building consisting of two or more units that share common walls and are offered as for-sale units, including such buildings that meet the definition of a condominium in Civil Code section 1351.

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

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

“**Debt Service**” means, for any period, the total amount of principal of, interest on, scheduled sinking-fund payments for, and other regularly scheduled payments on the outstanding Bonds for the period.

"**Demolition Parcel**" means a Developed Parcel for which the total Building Area is reduced as a result of the demolition of a building. Once a new building is constructed upon a Demolition Parcel, the Developed Parcel is no longer classified as a Demolition Parcel.

"**Developed Parcel**" means a Taxable Parcel with one or more Development Approvals. If a building on a Developed Parcel is demolished, thereby reducing the Building Area assigned to the Parcel, then the Developed Parcel will be reclassified as a Demolition Parcel. The Maximum Annual Special Tax assigned to a Developed Parcel is not reduced as a result of demolition that reduces the total Building Area of the Developed Parcel. But the CFD Administrator may levy the Special Tax on a Demolition Parcel in a Fiscal Year, based upon the Land Special Tax and Developed Special Tax for the reduced Building Area of the Parcel after demolition, if the Maximum Annual Special Tax for the Parcel is not needed to fund Annual Costs in that Fiscal Year.

"**Developed Special Tax**" means the Maximum Annual Special Tax assigned to a Developed Parcel based on the Non-Residential Use Building Area, the Commercial-Parking Area, and the number of Dwelling Units assigned to the Parcel. Once assigned to a Developed Parcel, the Developed Special Tax may not be reduced.

"**Developed Special-Tax Rate**" means the maximum annual rate of Special Tax per Building Area or Commercial-Parking Area for a Non-Residential Use or the maximum amount of Special Tax per Residential Unit used to determine the Developed Special Tax for a Taxable Parcel. The Developed Special-Tax Rates are shown in Attachment 2.

"**Development Approval**" means either of the following: a building permit issued by the City; and, for a public agency's building project that does not require a City building permit, a request by the agency to connect to City-provided water or sewer services.

"**Development Records**" means reports, studies, and permits, by or from the City or another public agency, that provide information about the development status of a Parcel, including development plans, tentative maps, parcel maps, final subdivision maps, building permits, and records of survey that have been approved or recorded.

"**Development Plan**" means a condominium plan, apartment plan, site plan, or other development plan that identifies such information as type of building, acreage, square footage of buildings, parking areas, and number of units approved to be developed on Taxable Parcels.

"**Dwelling Unit**" means a residential unit assigned to a Parcel.

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

"**Include**" and its variants are terms of enlargement rather than of limitation. For example, "includes" means "includes but not limited to," and "including" means "including but not limited to."

"**Land-Area Designation**" means the assignment to a Parcel (or a portion of a Parcel) of one or more of the following designations: Public-Use Land Area, Residential Use Land Area, Taxable Land Area, and Total Land Area.

"**Land Special Tax**" means the Maximum Annual Special Tax assigned to a Taxable Parcel based on the Taxable Land Area.

"**Land Special-Tax Rate**" means the maximum rate of Special Tax per Taxable Land Area used to determine the Land Special Tax for a Taxable Parcel.

"**Market-Rate Unit**" means a Dwelling Unit located on a Developed Parcel that is not an Affordable Dwelling Unit or a Residential-Hotel Unit.

"**Maximum Annual Special Tax**" means the maximum amount of the Developed Special Tax and Land Special Tax that could be levied in a Fiscal Year on a Taxable Parcel.

"**Maximum Annual Special-Tax Revenue**" means the maximum amount of Special Tax that may be levied against a group of Taxable Parcels, such as Developed Parcels.

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

"**Mixed-Use Parcel**" means a Developed Parcel with a designation of land uses for both Non-Residential Uses and Residential Uses.

"**Mixed-Use Condominium Building**" means a Condominium Building which includes both Residential Condominium Units and Non-Residential Condominium Units.

"**Multifamily Parcel**" means any Parcel with a Development Approval for exclusively Multifamily Residential Uses.

"**Multifamily Residential Use**" means a building with more than one residential Dwelling Unit per Parcel. Such uses include apartments, condominiums, townhomes, time-share units, row houses, duplexes, and triplexes.

"**Non-Residential Condominium Unit**" means a Non-Residential Use condominium unit included as part of a Condominium Building.

"**Non-Residential Parcel**" means a Developed Parcel with Development Approval of exclusively Non-Residential Uses.

"**Non-Residential Use**" means a Parcel with land uses designated for commercial, retail, office, industrial, manufacturing, or other similar non-residential land uses. Non-Residential Uses include Commercial Parking.

"**Parcel**" means any lot or parcel in the CFD with an assigned assessor's parcel number from the County Assessor based on the equalized tax rolls of the County as of July 1 of each Fiscal Year.

"**Parcel Number**" means the assessor's parcel number for any Parcel based on the equalized tax rolls of the County as of July 1 of each Fiscal Year.

"**Pay-As-You-Go Basis**" means the use of annual Special Tax revenues to directly fund Administration Expenses or to fund the cost (including approved cost overruns or prudent reserves for such overruns) of constructing, improving, or acquiring Authorized Facilities.

"**Public Agency**" means any of the following: the City, the County, an agency of the State of California, the State of California, Sacramento Unified School District, an agency of the United States, the United States, a special district, and a public utility established under the Municipal Utility District Act.

"**Public Parcel**" means any Parcel that is publicly owned or intended to be publicly owned in its entirety and is normally exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainage ways, public landscaping, wetlands, greenbelts, and public open space. Public Parcels are exempt from the levy of the Special Tax and thus are Tax-Exempt Parcels.

"**Public Property**" means, for each Fiscal Year, both of the following:

- Any property within the boundaries of the CFD that was owned by, or irrevocably offered for dedication to, any Public Agency as of June 30 of the previous Fiscal Year, except that any Public Parcel or portion of a Public Parcel leased to a nonexempt person or entity and subject to taxation under Government Code section 53340.1 will be taxed according to its use.
- Any property within the boundaries of the CFD that was encumbered, as of June 30 of the previous Fiscal Year, by a utility easement making impractical its use for any purpose other than the purpose set forth in the easement.

"**Public-Use Land Area**" means that portion of a Taxable Parcel that is identified as an area to be used for public uses (roads, parks, etc.) and is intended to be dedicated for public use as part of a future Subdivision of the Parcel.

"**Residential Condominium Unit**" means a Residential Unit included as part of a Condominium Building.

"**Residential Use Land Area**" means the land area in Residential Use.

"**Residential Unit**" means a residential unit constructed on a single-family-residential Parcel or a residential unit constructed in a multifamily building or as part of a mixed-use building.

"**Residential Parcel**" means a Taxable Parcel with Development Approval of exclusively Residential Uses. A Residential Parcel is also classified as a Developed Parcel.

"**Residential Use**" means that portion of a Parcel designated for single-family- or multifamily-residential uses.

"**Residential-Hotel Unit**" means a room in a residential hotel or single-room-occupancy building that is subject to Sacramento City Code section 18.20.160.

"**Special Tax**" means the special tax levied by the City in the CFD in accordance with Act; the Resolution of Intention for the CFD; and this Rate, Method of Apportionment, and Manner of Collection of Special Tax.

"**Special-Tax Ordinance**" means the ordinance of the Council authorizing the levy and collection of the Special Tax.

"**Subdivision**" or "**Subdivided**" means a division of a Parcel into two or more Parcels in accordance with the Subdivision Map Act. A Subdivision may also include the merging of two or more Parcels to create one or more new Parcels.

"**Tax Category**" means the categories of taxable land uses shown in Attachment 2.

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

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

"**Tax-Exempt Public Parcel**" means any Parcel that is, or is intended to be, publicly owned or Public Property, as designated in any Subdivision, and is normally exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainage ways, landscaping, wetlands, greenbelts, and open space. "Tax-Exempt Public Parcel" does not include a leasehold or other possessory interest that is in Public Property and is granted to a nonexempt person or entity.

"**Taxable Land Area**" refers to the Total Land Area of a Taxable Parcel less the Public-Use Land Area and Residential Use Land Area.

"**Tax Zone**" means one of the four Tax Zones shown on Attachment 1. Each Taxable Parcel is assigned to Tax Zone 1, Tax Zone 2, Tax Zone 3, or Tax Zone 4 based on the proximity of the Parcel to the streetcar track alignment.

"**Total Land Area**" means the total square footage of a Parcel.

"**Trustee**" means any fiscal agent or trustee appointed by the City under any indenture for any Bonds.

"**Undeveloped Parcel**" means a Taxable Parcel that is not a Developed Parcel.

"**Utility Parcel**" means a Parcel owned by a public utility whether the public utility is a governmental entity or a private corporation. Any portion of a Utility Parcel that has a Non-Residential Use or Commercial Parking Area is subject to the Land Special Tax and the Developed Special Tax.

3. Duration of the Special Tax

Parcels in the CFD will remain subject to the Special Tax through Fiscal Year 2054-55. No Special Tax will be levied or collected after Fiscal Year 2054-55, except that any delinquent Special Tax lawfully levied in, or before, that year may be collected in subsequent years.

If the Special Tax ceases to be levied, then the City will direct the County Clerk-Recorder to record a Notice of Cessation of Special Tax stating that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished, and identifying 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.

If a legal Parcel is created entirely within Tax Zone 4, then the City will direct the County Clerk-Recorder to record a Notice of Cessation of Special Tax, stating that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished, and identifying 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. Assignment of Land-Area Designations, Building Area, and Dwelling Units to Parcels

A. *Assignment of Land Area and Tax Zones.*

Parcels are assigned a Total Land Area, Taxable Land Area, Public-Use Land Area, and Residential Use Land Area at CFD formation. Parcels are also assigned to the appropriate Tax Zone or Zones. For a Parcel within multiple Tax Zones, the CFD Administrator will assign Land-Area Designations, Building Area, and Dwelling Units in accordance with the actual uses within each zone.

As Parcels are Subdivided or combined, the CFD Administrator will assign the Tax Zones and Land-Area Designations to all successor Parcels using available Development Records.

Utility Parcels are assigned Taxable Land Area based on the amount of land area used for Non-Residential Uses.

The Entertainment and Sports Center is not assigned Land-Area Designations because of the unique nature and use of the building and land.

Each Non-Residential Condominium Unit is assigned its proportionate share of the Total Land Area of the Parcel based on the ratio of the square footage of the Non-Residential Condominium Unit to the square footage of the Parcel's Building Area.

B. *Assignment of Building Area and Commercial-Parking Area to Non-Residential and Utility Parcels.*

Non-Residential Parcels and Utility Parcels are assigned a Building Area and Commercial-Parking Area based on Assessor's records and other available Development Records.

As non-residential development projects are processed, the CFD Administrator must obtain and record the Building Area and Commercial-Parking Area for all buildings identified in the Development Plan. In addition, the CFD Administrator must update all applicable land-area categories.

C. *Assignment of Building Area and Commercial-Parking Area to Mixed-Use Parcels and Charitable Non-Profit Parcels.*

Mixed-Use Parcels and Charitable Non-Profit Parcels are assigned a Building Area and Commercial-Parking Area for the Non-Residential Use portion of the Mixed-Used Parcel or Charitable Non-Profit Parcel based on Assessor's records or other available Development Records. The Building Area for Residential Uses is not calculated, as Dwelling Units are assigned to the Parcel for the purpose of calculating the portion of the Developed Special Tax attributable to Residential Uses.

As mixed-use and non-profit development projects are processed, the CFD Administrator will use the Development Plan to determine the Building Area and Commercial-Parking Area for all buildings.

D. *Assignment of Dwelling Units to Residential Parcels, Mixed-Use Parcels, and Charitable Non-Profit Parcels.*

Residential Parcels, Mixed-Use Parcels, and Charitable Non-Profit Parcels are assigned a number of Market-Rate Units and Affordable Dwelling Units based on Assessor's records or other available Development Records.

As residential, mixed-use, and charitable non-profit development projects are processed, the CFD Administrator will use the Development Plan to determine the number of Dwelling Units to assign to each Taxable Parcel. Each Residential Condominium Unit will be assigned one Dwelling Unit.

The Building Area of parking structures restricted to Residential Use (i.e., not used for Commercial Parking) is exempt from the Special Tax.

E. *Conversion of a Tax-Exempt Parcel to a Taxable Parcel.*

A Tax-Exempt Parcel that is converted to a taxable use or transferred to a private owner will become subject to the Special Tax. The Maximum Annual Special Tax for such a Taxable Parcel will be assigned according to Section 5. Any leasehold or possessory interest that is in a Public Parcel and granted to a nonexempt person or entity will be subject to the Special Tax.

F. *Taxable Parcels Acquired by a Public Agency*.

A Taxable Parcel acquired by a public agency after the CFD is formed will remain subject to the Special Tax that applied on the day before the acquisition unless the Special Tax obligation is satisfied under Government Code section 53317.3 or 53317.5.

G. *Taxable Parcels Acquired by Charitable Non-Profit Organization.*

A Taxable Parcel acquired by a Charitable Non-Profit Organization after the CFD is formed will remain subject to the Maximum Annual Special Tax that applied on the day before the acquisition, subject to the following: if additional Building Area or additional Dwelling Units are added to the Parcel after the acquisition, then the Maximum Annual Special Tax may increase if the calculation of the Maximum Annual Special Tax using the Charitable Non-Profit Parcel tax

rates on Attachment 2 exceeds the Maximum Annual Special Tax that applied on the day before the acquisition.

5. Assignment of the Maximum Annual Special Tax

A. *Classification of Parcels.*

On or before July 1 of each Fiscal Year, using the definitions in Section 2, the Parcel records of the County Assessor's Secured-Tax Roll as of June 1, and other City Development Records, the CFD Administrator shall cause the following:

(1) Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.

(2) Each Parcel to be classified as a Developed Parcel or Undeveloped Parcel.

(3) Each Developed Parcel to be further classified as a Residential Parcel, Non-Residential Parcel, Mixed-Use Parcel, Charitable Non-Profit Parcel, Utility Parcel, or Demolition Parcel, except that the CFD Administrator shall not further classify a Developed Parcel if doing so would reduce the Developed Special Tax then assigned to that Parcel.

(4) For each Dwelling Unit within a Parcel that includes Residential Uses to be classified as Market-Rate Units, Affordable Units, or Residential-Hotel Units.

B. *Assignment of the Land Special Tax to Parcels.*

The Land Special Tax will be assigned to Developed Parcels and Undeveloped Parcels by multiplying the Taxable Land Area assigned to the Parcel in Section 4.A times the Land Special Tax Rate shown in Attachment 2.

C. *Assignment of the Land Special Tax to Successor Parcels.*

As Parcels are Subdivided into successor Parcels, the Land Special Tax will be assigned to successor Parcels by multiplying the Taxable Land Area assigned to the Parcel in Section 4.A times the Land Special-Tax Rate shown in Attachment 2.

D. *Assignment of the Developed Special Tax to Non-Residential Parcels and Utility Parcels.*

The Developed Special Tax for Non-Residential Parcels and Utility Parcels is the sum of (1) the Parcel's Building Area multiplied by the Developed Special Tax Rate for the Building Area as shown in Attachment 2 and (2) the Commercial-Parking Area assigned to the Parcel in Section 4.B or Section 4.C multiplied by the Developed Special-Tax Rate for the Commercial-Parking Area as shown in Attachment 2.

E. *Assignment of the Developed Special Tax to Residential Parcels.*

The Developed Special Tax for Residential Parcels is calculated by using the following steps:

Step 1: Using Attachment 2, assign the Developed Special-Tax Rate to the number of Market-Rate, Affordable, and Residential-Hotel Units to derive the Developed Special Tax for each Dwelling Unit.

Step 2: Sum the Developed Special Tax assigned to each Dwelling Unit in Step 1 to derive the Developed Special Tax for the Parcel.

F. *Assignment of the Developed Special Tax to Mixed-Use Parcels and Charitable Non-Profit Parcels.*

The Developed Special Tax is calculated by using the following steps:

Step 1: Determine the Developed Special Tax for Non-Residential Uses using the provisions of Section 5.D.

Step 2: Determine the Developed Special Tax for Residential Uses using the provisions of Section 5.E.

Step 3: Sum the results of Step 1 and Step 2 to derive the Developed Special Tax for the Parcel.

G. *Calculate the Maximum Annual Special Tax for each Taxable Parcel.*

Add the Land Special Tax calculated in Section 5.B or 5.C and the Developed Special Tax calculated in Section 5.D, 5.E, or 5.F.

H. *Assignment of the Special Tax to Leaseholds and Possessory Interests in Public Parcels*

For a leasehold or possessory interest that is in a Public Parcel and granted to a nonexempt person or entity, the Special Tax will be equal to the Special Tax that would apply to the portion of the Public Parcel (including any building) that is subject to the leasehold or possessory interest if that portion were subject to the Special Tax.

6. Calculating Annual Special Tax Levy

A. The City shall not issue bonds through the CFD until the City Manager determines that there is reasonable assurance of funding commitments for constructing light-rail infrastructure on H Street between the existing light-rail lines on 8th Street and 12 Street.

B. The CFD Administrator will compute the Annual Costs and determine the Maximum Annual Special Tax for each Taxable Parcel based on the assignment of the Special Tax in Section 5. The CFD Administrator will then determine the tax levy for each Taxable Parcel using the following process:

(1) Compute the Annual Costs using the definition of Annual Costs in Section 2.

(2) Calculate the Special Tax levy for each Developed Parcel by the following steps:

- Step 1: Compute 100% of the Maximum Annual Special Tax Revenue for all Developed 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 lower than the Maximum Annual Special-Tax Revenue, then proportionately decrease the Special Tax levy for each Developed Parcel until the revenue from the Special Tax levy equals the Annual Costs. The CFD Administrator shall reduce the Special Tax levy for Demolition Parcels before proportionately decreasing the Special Tax levy.

- Step 4: If Annual Costs are greater than the Maximum Annual Special-Tax Revenue for Developed Parcels, then levy the Land Special Tax proportionately on Undeveloped Parcels until the sum of the Land Special Tax revenue from Undeveloped Parcels equals the difference between Annual Costs and the Maximum Annual Special Tax Revenue for all Developed Parcels or until 100% of the Land Special Tax on Undeveloped Parcels is levied.

(3) Levy on each Taxable Parcel the amount calculated above.

(4) Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected under Section 10, send it to the County Auditor requesting that it be placed on the general, secured property-tax roll for the Fiscal Year. The Tax-Collection Schedule must not be sent later than the date required by the Auditor for such inclusion.

7. No Prepayment of the Special Tax

Prepayment of the Special Tax (i.e., complete fulfillment of a Parcel's Special Tax obligation) is not permitted except as authorized by the Act.

8. Records Maintained for the CFD

As development and Subdivision occurs in the CFD, the CFD Administrator will maintain a file containing records of the following information for each Parcel, and the file will be available for public inspection:

- The Tax Zones, Land-Area Designation, Building Area, and Commercial Parking Area assigned to each Parcel at formation of CFD.

- The current County Assessor's number.

- The amount of Total Land Area, Public-Use Land Area, Taxable Land Area, Residential Use Land Area.

- The number of Dwelling Units assigned by the CFD Administrator to Developed Parcels.

- The Tax Category for each Dwelling Unit assigned to a Developed Parcel.

- The Building Area and Commercial-Parking Area (in square feet) for each Non-Residential Parcel, Mixed-Use Parcel, and Utility Parcel.

- The Maximum Annual Tax for each Taxable Parcel.

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

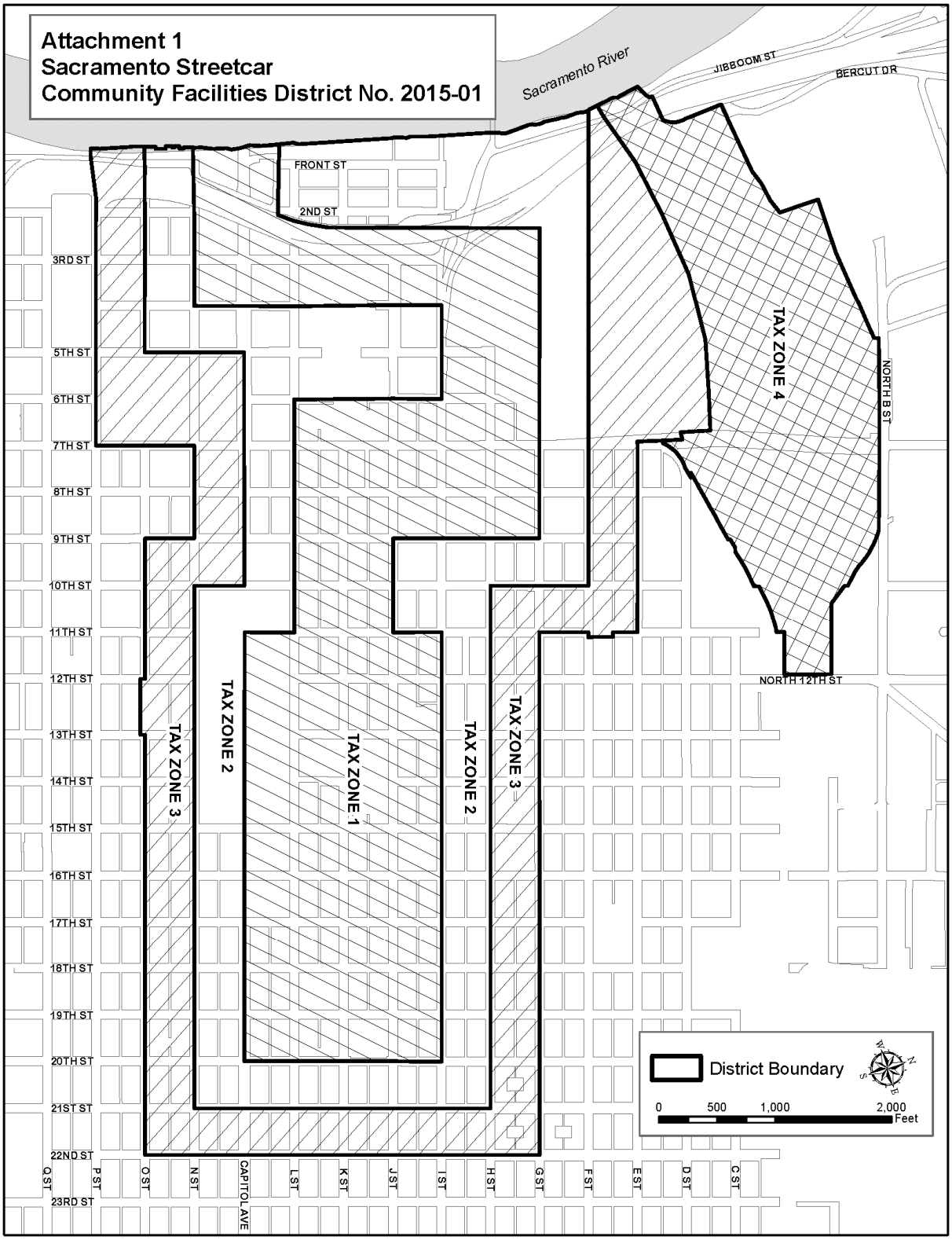
Any taxpayer who believes that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the CFD Administrator appealing the levy of the Special Tax. The CFD Administrator will then promptly review the appeal and, if necessary, meet with the taxpayer. If the CFD Administrator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

Interpretations may be made by resolution of the Council to clarify 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 CFD Administrator may make minor, non-substantive administrative and technical changes to this exhibit if the changes do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax and are required for purposes of the administrative efficiency or convenience or to comply with new federal, state, or local law.

10. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, subject to the following: the CFD Administrator or his or her 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
Sacramento Streetcar
Community Facilities District No. 2015-01
Sacramento River
JIBBOOM ST
BERCUT DR
FRONT ST
2ND ST
3RD ST
5TH ST
6TH ST
7TH ST
8TH ST
9TH ST
10TH ST
11TH ST
12TH ST
13TH ST
14TH ST
15TH ST
16TH ST
17TH ST
18TH ST
19TH ST
20TH ST
21ST ST
22ND ST
23RD ST
Q ST
P ST
O ST
N ST
CAPITOL AVE
L ST
K ST
J ST
I ST
H ST
G ST
F ST
E ST
D ST
C ST
NORTH B ST
NORTH 12TH ST
TAX ZONE 4
TAX ZONE 3
TAX ZONE 2
TAX ZONE 1
TAX ZONE 2
TAX ZONE 3
District Boundary
0
500
1,000
2,000
Feet

Attachment 2
Sacramento Streetcar Community Facilities District No. 2015-01
Special Tax Rates

Tax Category	Basis	Special Tax Rates Zone 1	Zone 2	Zone 3	Zone 4
Developed					
Residential Parcels					
Market Rate Units	per unit	$60.00	$48.00	$36.00	$0.00
Affordable Units	per unit	$0.00	$0.00	$0.00	$0.00
Residential Hotel Units	per unit	$0.00	$0.00	$0.00	$0.00
Non-Residential Parcels (1)					
Land Area	per land sq.ft.	$0.050	$0.040	$0.030	$0.00
Building Area	per building sq.ft.	$0.140	$0.112	$0.084	$0.00
Commercial Parking		use Commercial Parking Parcel Rates			
Mixed Use Parcels					
Residential Uses					
Market Rate Units	per unit	$60.00	$48.00	$36.00	$0.00
Affordable Units	per unit	$0.00	$0.00	$0.00	$0.00
Residential Hotel Units	per unit	$0.00	$0.00	$0.00	$0.00
Non-Residential Uses					
Land Area	per land sq.ft.	$0.050	$0.040	$0.030	$0.00
Building Area	per building sq.ft.	$0.140	$0.112	$0.084	$0.00
Commercial Parking Area		use Commercial Parking Parcel Rates			
Commercial Parking Uses and Parcels					
Land Area	per land sq.ft.	$0.050	$0.040	$0.030	$0.00
Commerical Parking Area	per parking area sq.ft.	$0.050	$0.040	$0.030	$0.00
Entertainment and Sports Center					
Building Area	per building area sq.ft.	$0.050	$0.040	$0.030	$0.00
Utility Parcels					
Utility Uses	per land sq.ft.	$0.00	$0.00	$0.00	$0.00
Non-Residential Uses		use Non-Residential Parcel Rates			
Commerical Parking		use Commercial Parking Parcel Rates			
Non-Profit Parcels (501.C.3 Charitable Non-Profits)					
Land Area	per land sq.ft.	use 50% of Non-Residential Parcel Land Area Rates			
Residential Uses		use 50% of Residential Parcel Rates			
Non-Residential Uses		use 50% of Non-Residential Parcel Rates			
Commercial Parking		use 50% of Commercial Parking Parcel Rates			
AT&T Parcel (APN: 006-0056-014-0000)					
Land Area Rate	per land sq.ft.	$0.050	N/A	N/A	N/A
Building Rate	per building area sq.ft.	$0.03443	N/A	N/A	N/A
Undeveloped					
Land Area	per land sq.ft.	$0.050	$0.040	$0.030	$0.00
Land Area (501.C.3 Ownership)	per land sq.ft.	$0.025	$0.020	$0.015	$0.00

Note: The AT&T building at 1407 J Street (APN 006-014-000) is a assigned a special tax amount based on the full Land Rate and approximately 25% of the Building Area rate. The building is uniue to CFD 2015-01 because it is primarily unoccupied, with most of the square footage occupied by switching equipment, no leasable office or retail space, and a very low number of employees or visitors to the site.

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RESOLUTION NO. 2015-XXXX

Adopted by the Sacramento City Council

January 13, 2015

RESOLUTION DECLARING THE NECESSITY TO INCUR BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION, IMPROVEMENT, AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SACRAMENTO STREETCAR COMMUNITY FACILITIES DISTRICT NO. 2015-01, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

BACKGROUND

A. The City Council (the "**Council**") of the City of Sacramento (the "**City**") has duly adopted Resolution No. 2015-____ (the "**Resolution of Intention**") this date, declaring its intention to establish a community facilities district under the Mello-Roos Community Facilities Act of 1982, set forth at Government Code sections 53311 through 53368.3 (the "**Act**"), to be known and designated as "Sacramento Streetcar Community Facilities District No. 2015-01, City of Sacramento, County of Sacramento, State of California" (the "**CFD**"), and to levy a special tax therein to finance the acquisition, improvement, and construction of certain public facilities as set out in the Resolution of Intention (the "**Facilities**").

B. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds that the statements in the Background are true.

Section 2. The Council hereby declares that the public convenience and necessity require that a bonded indebtedness be incurred to finance the acquisition, improvement, and construction of the Facilities. The cost of financing the acquisition, improvement, and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof; all costs associated with the creation of the CFD, the issuance of bonds and incurrence of other debt (as defined in the Act and, together with any bonded indebtedness, "**Debt**"), the determination of the amount of any special taxes, and the collection or payment of any special taxes; and any costs otherwise incurred in order to carry out the authorized purposes of the CFD, together with any other expenses

incidental to the acquisition, improvement, and construction of the Facilities.

Section 3. The amount of the proposed Debt to be incurred to finance the acquisition, improvement, and construction of the Facilities may not exceed $38 million, which amount includes all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the Debt is proposed to be incurred, including but not limited to the estimated costs of acquisition of land and rights-of-way; capacity or connection fees; satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued under the Act; fees for architectural, engineering, inspection, legal, fiscal, and financial-consultant services; bond and other reserve funds; discount fees; interest on any Debt estimated to be due and payable within two years of issuance of the Debt; election costs; and all costs of issuance or incurrence of the Debt, including but not limited to fees for bond counsel and disclosure counsel, costs of obtaining credit ratings, bond-insurance premiums, fees for letters of credit and other credit-enhancement costs, and printing costs.

Section 4. Notice is given that Tuesday, February 24, 2015, at 6:00 p.m., has been fixed by the Council as the time and place for a public hearing to be held by the Council to consider the incurring of Debt to finance the acquisition, improvement, and construction of the Facilities. The public hearing will be held in the Council Chambers in New City Hall, 915 I Street, Sacramento, California. At the public hearing, any persons interested, including all taxpayers, property owners, and registered voters within the CFD, may appear and be heard on the proposed Debt or on any other matters set forth in this resolution, and they may present any matters relating to the necessity for incurring Debt to finance the acquisition, improvement, and construction of the Facilities and to be secured by a special tax to be levied within the CFD.

Section 5. The City Clerk shall give notice of the time and place of the public hearing by publishing once in the *SACRAMENTO BULLETIN* , a newspaper of general circulation circulated within the area of the CFD, a Notice of Public Hearing in the form required by the Act. The publication must be completed at least seven days before the date set for the public hearing.

Section 6. The Council intends that any Debt be callable (may be redeemed or prepaid before maturity) in accordance with the Act.

Section 7. This resolution takes effect when adopted.