Title: Initiate Formation Proceedings for Greenbriar Community Facilities District No. 2018-03 (Improvement) and Sacramento Services Community Facilities District No. 2018-05

Location: District 1

Recommendation: Pass: 1) a Resolution of Intention to establish the Greenbriar Community Facilities District (CFD) No. 2018-03 (Improvements) (Greenbriar Improvement CFD) and improvement area no. 1 and improvement area no. 2 therein, levy a special tax, approve the boundary map, and set the public hearing date for November 27, 2018; 2) a Resolution of Intention to incur bonded indebtedness for each improvement area within the Greenbriar Improvement CFD; and 3) a Resolution of Intention to establish the Sacramento Services Community Facilities District (CFD) No. 2018-05 (Maintenance CFD), levy a special tax, approve the boundary map, and set the public hearing date for November 27, 2018.

Contact: Arwen Wacht, Program Specialist, (916) 808-7535; Eric Frederick, Program Specialist, (916) 808-5129; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

Presenter: None

Attachments:
1-Description/Analysis
2-Background
3-Schedule of Proceedings
4-Resolution of Intention – (Improvement CFD)
5-Exhibit A: Boundary Map – (Improvement CFD)
6-Exhibit B: List of Authorized Facilities and Fees – (Improvement CFD)
7-Exhibit C: Representative Listing of Incidental Expenses – (Improvement CFD)
8-Exhibit D: Rate and Method of Apportionment – Improvement Area No. 1 – (Improvement CFD)
9-Exhibit E: Rate and Method of Apportionment – Improvement Area No. 2 – (Improvement CFD)
Description/Analysis

**Issue Detail:** Integral Communities, LLC (Developer), the master developer of the Greenbriar development, has applied to the City to form the Greenbriar Improvement CFD with two improvement areas (one north and one south of the future Meister Way), for the purpose of obtaining tax-exempt bond financing. The bond proceeds are expected to partially reimburse the Developer for the cost of public infrastructure that the City will acquire from the Developer, as well as certain development fees that the Developer must pay to the City and local agencies (for example, the Twin Rivers Unified School District). Approval of the Greenbriar Improvement CFD will authorize the City to sell bonds and to levy the special tax to pay debt service for the bonds, administrative costs of the CFD, and fund the authorized facilities and fees.

Also, under the conditions of approval for the Greenbriar development project (P11-093), the property owners are required, prior to recordation of the final subdivision map, to annex the project area to or establish an appropriate financing district for the maintenance of landscaping, parks, open space, and other public improvements that are beyond those typically provided by the City. The establishment of the Maintenance CFD will satisfy the entitlement conditions for maintenance by authorizing the City to levy special taxes in an amount sufficient to provide maintenance funding. A full list of the services authorized to be financed by the Maintenance CFD are provided in Exhibit B (Attachment 13) of the Resolution of Intention for the Maintenance CFD (Attachment 11).

**Policy Considerations:** The procedures under which these districts are being formed are set forth in Title 5, Division 2, Chapter 2.5 of the Government Code, Sections 53311-53368.3, entitled “The Mello-Roos Community Facilities Act of 1982”. Formation of the CFDs are consistent with the City’s Policy 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 City Resolution No. 94-491 (Mello-Roos Policy). The recommended action to form the Maintenance CFD is also consistent with City policy to implement special districts to fund the maintenance and repair of amenities, facilities, and improvements within a project that exceed City standards.

**Economic Impacts:** None.
Environmental Considerations:

**California Environmental Quality Act (CEQA):** Under the California Environmental Quality Act Guidelines, the formation of community facilities districts as funding mechanisms without commitment to any specific projects which could result in a significant impact to the environment does not constitute a project for purposes of CEQA and is therefore exempt from review [CEQA Guidelines section 15378(b)(4)].

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** The actions in the recommended resolutions are required by the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311-53368.3) in order to initiate the process to form a CFD.

**Financial Considerations:** Specific to the Greenbriar Improvement CFD, the Developer will fund fees and improvements and be reimbursed at a later time if and when sufficient bond proceeds and special taxes are available. These reimbursements will be limited to fees and improvements that construct public improvements and otherwise comply with the Mello-Roos Policy or any subsequent update to such policy. The special taxes will be used for the sole purpose of funding reimbursements and administrative expenses. Both of these uses may be paid by bond proceeds or directly from special taxes.

Specific to the Maintenance CFD, the property owners will pay all costs associated with the CFD. The maximum special tax rates for properties located in the CFD are outlined in the Rate and Method of Apportionment of Special Tax, which is included as Exhibit C (Attachment 14) to the Resolution for the Maintenance CFD (Attachment 11).

The formation of these Districts will not create an obligation on the General Fund or any other City funds.

**Local Business Enterprise (LBE):** Not applicable.
Background

The proposed CFDs cover approximately 577± acres of property within the Greenbriar Planned Unit Development. The Greenbriar project is proposed for single-family, multi-family, commercial, parks, open space, lakes/detention basins, light rail corridor and station, park and ride lot, and school site. The Greenbriar project area is generally bounded by Elkhorn Boulevard to the north, State Highway 99 to the east, Interstate 5 to the south, and the City of Sacramento city limits to the west and north.

Purpose of the CFDs

The proposed Greenbriar Improvement CFD will finance, through issuance of bonds or the incurrence of other debt for improvement area no. 1 and improvement area no. 2 established therein, certain development fees and public improvements, serving and/or bordering the proposed district boundary, within two improvement areas (north and south of the future Meister Way). A full description of the improvements, fees and incidental expenses are shown as Exhibits B and C (Attachments 6 and 7) to the Resolution of Intention for the Greenbriar Improvement CFD (Attachment 4). The maximum principal amount of debt proposed to be incurred for the purposes of the proposed district is: with respect to improvement area no. 1 thereto, $55 million, and with respect to improvement area no. 2 thereto, $50 million.

The proposed Maintenance CFD will establish an appropriate financing district for the maintenance of landscaping, parks, open space, and other public improvements for this development that are beyond those typically provided by the City. The establishment of the Maintenance CFD will authorize the City to levy special taxes in an amount sufficient to provide maintenance funding. A full list of the services authorized to be financed by the Maintenance CFD are provided in Exhibit B (Attachment 13) to the Resolution of Intention for the Maintenance CFD (Attachment 11). The City intends to establish a future annexation area(s) for the Maintenance CFD at a later date.

CFD Special Election Proceedings

The proposed districts will be formed in compliance with the Mello-Roos Community Facilities District Act of 1982. As part of the formation proceedings for both the Improvement CFD and Maintenance CFD, a special election on the special tax (and, solely with respect to the Improvement CFD, the incurrence of debt) is required. In this case, where there are fewer than 12 registered voters, the vote is by landowners with each landowner having one vote for each acre or portion of an acre owned within the proposed CFD. There is one landowner within this proposed CFD. The City is prohibited from levying the tax or incurring related debt unless at least two-thirds of the votes cast are in favor of formation and the debt. A schedule for the CFD proceedings is provided on the following pages.
Special Tax Formula

For the Improvement CFD, the Rate and Method of Apportionment of Special Tax for each improvement area is attached as Exhibits D and E (Attachments 8 and 9) to the Resolution of Intention to establish the CFD (Attachment 4). The special tax is applied to both developed and undeveloped properties. The maximum special-tax rates for all property located in the Improvement CFD are also shown in Exhibits D and E (Attachments 8 and 9) to the Resolution of Intention (Attachment 4).

For the Maintenance CFD, the Rate and Method of Apportionment of Special Tax is attached as Exhibit C (Attachment 14) to the Resolution of Intention to establish the CFD (Attachment 11), which outlines the maximum special-tax rates for all property located in the proposed Maintenance CFD.
### ATTACHMENT 2
#### SCHEDULE OF FORMATION PROCEEDINGS

**GREENBRIAR COMMUNITY FACILITIES DISTRICT (CFD) NO. 2018-03 (IMPROVEMENTS) AND SACRAMENTO SERVICES COMMUNITY FACILITIES DISTRICT NO. 2018-05**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 23, 2018</td>
<td>City Council – Initiate Proceedings</td>
<td>Pass Resolutions of Intention to Form CFDs and Levy Special Tax (sets hearing date and approves boundary map)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pass Resolution of Intention to Incur Bonded Indebtedness</td>
</tr>
<tr>
<td>November 6, 2018</td>
<td>Record Boundary Maps</td>
<td></td>
</tr>
<tr>
<td>November 9, 2018</td>
<td>Mail Notice of Public Hearing</td>
<td></td>
</tr>
<tr>
<td>November 20, 2018</td>
<td>Publish Notice of Public Hearing</td>
<td></td>
</tr>
<tr>
<td>November 27, 2018</td>
<td>City Council – Public Hearing and Notice for Special Elections</td>
<td>Conduct Public Hearing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pass Resolutions of Formation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pass Resolution to Incur Debt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pass Resolutions Calling Special Elections</td>
</tr>
<tr>
<td>November 27, 2018</td>
<td>Deliver &amp; Return Special Election Ballots</td>
<td></td>
</tr>
<tr>
<td>December 4, 2018</td>
<td>City Council</td>
<td>Pass Resolutions Declaring Results of Special Elections</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pass for Publication Ordinances to Levy Tax</td>
</tr>
<tr>
<td>December 5, 2018</td>
<td>Record Notices of Special Tax</td>
<td></td>
</tr>
<tr>
<td>December 11, 2018</td>
<td>City Council</td>
<td>Adopt Ordinances to Levy Special Tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pass Resolutions Creating Accounting Funds</td>
</tr>
</tbody>
</table>
RESOLUTION OF INTENTION TO ESTABLISH THE CITY OF SACRAMENTO GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS), TO DESIGNATE IMPROVEMENT AREAS THEREIN, AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE ACQUISITION AND CONSTRUCTION OF PUBLIC FACILITIES AND TO FINANCE GOVERNMENTAL FEES FOR PUBLIC FACILITIES

BACKGROUND

A. The City Council 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 and construction of certain public facilities and to finance certain governmental fees for public facilities under the Mello-Roos Community Facilities Act of 1982, set forth at Government Code sections 53311 through 53368.3 (the “Act”).

B. The public facilities to be financed, either directly or through the financing of governmental fees, are necessary to meet increased demands on the City or other governmental agencies as the result of development occurring or expected to occur within the community facilities district.

C. The City 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 City Council and are now in effect.

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 City Council hereby proposes to establish a community facilities district under the Act, to be known and designated as the “City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” (the “CFD”). In accordance with section 53350 of the Act, the territory to be initially included in the CFD (as shown on the map described in section 3 below) is hereby designated to include the following improvement areas:

(a) “Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” (“IA-1”).

(b) “Improvement Area No. 2 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” (“IA-2”).
Section 3. The proposed boundaries of the CFD and of IA-1 and IA-2 are more particularly described and shown on a map titled “Proposed Boundaries of City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements),” which is now on file in the office of the City Clerk (the “Clerk”) and which the City Council hereby preliminarily approves and refers to for further particulars. A reduced copy of the map is attached as Exhibit A to this resolution. The City 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 City 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 used for the commercial production of agricultural, timber, or livestock products will be benefited by the proposed public facilities.

Section 5. The City Council intends, in accordance with the Act, to finance the acquisition and construction of the public facilities listed on Exhibit B to this resolution (the “Facilities”). The City Council also intends to finance the governmentally imposed development fees listed on Exhibit B (the “Fees”), each of which is used to finance public facilities. All of the Facilities and the public facilities to be financed by the Fees have an estimated useful life of five years or longer and are public facilities that—

(a) the City or other governmental agencies are authorized by law to construct, own, or operate, or to which they may contribute revenue; and

(b) are necessary to meet increased demands on the City or other governmental agencies as the result of development occurring or expected to occur within the CFD.

Section 6. The cost of financing the acquisition and construction of the Facilities and financing the Fees includes the following incidental expenses (a representative list of these expenses is set forth in Exhibit C to this resolution):

(a) The costs of planning and designing the Facilities and the public facilities to be financed with the Fees, together with the costs of related environmental evaluations.

(b) All costs associated with (1) the establishment of the CFD and the designation of IA-1 and IA-2; (2) the issuance of bonds and the incurrence of other debt (as defined in the Act) for IA-1 and IA-2; (3) the determination of the amount of any special taxes; and (4) the collection or payment of any special taxes.
Section 7. The City Council intends that, except where funds are otherwise available, the City will levy a special tax within IA-1 (the “IA-1 Special Tax”) to pay directly for the Facilities and the Fees and to pay the principal and interest on bonds and other debt (as defined in the Act) of the City issued for IA-1 to finance the Facilities and the Fees. The IA-1 Special Tax will be secured by recordation of a continuing lien against all non-exempt real property in IA-1. The proposed rate and method of apportionment of the IA-1 Special Tax among the parcels of real property within IA-1 is attached as Exhibit D to this resolution (the “IA-1 RMA”) and is in sufficient detail to allow each landowner within IA-1 to estimate the maximum amount the landowner will have to pay.

Section 8. The City Council intends that, except where funds are otherwise available, the City will levy a special tax within IA-2 (the “IA-2 Special Tax”) to pay directly for the Facilities and the Fees and to pay the principal and interest on bonds and other debt (as defined in the Act) of the City issued for IA-2 to finance the Facilities and the Fees. The IA-2 Special Tax will be secured by recordation of a continuing lien against all non-exempt real property in IA-2. The proposed rate and method of apportionment of the IA-2 Special Tax among the parcels of real property within IA-2 is set forth as Exhibit E to this resolution (the “IA-2 RMA”) and is in sufficient detail to allow each landowner within IA-2 to estimate the maximum amount the landowner will have to pay.

Section 9. Among other things, the IA-1 Special Tax and the IA-2 Special Tax will be used—

(a) to make payments on bonds or other debt (as defined in the Act) to be issued to finance the acquisition and construction of the Facilities and to finance the Fees, including the payment of interest on, and principal of, the bonds or debt;

(b) to make lease payments for Facilities (whether in conjunction with the issuance of certificates of participation or not); and

(c) to repay 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 10. The City Council, acting as the legislative body for the CFD, intends to cause bonds of the City to be issued for IA-1 and IA-2 in accordance with the Act to finance or refinance in whole or in part the construction and acquisition of the Facilities and payment of the Fees. The bonds or other debt will be issued in
such series, will bear interest payable semi-annually (or in any other manner as the City Council determines) at a rate not to exceed the maximum rate of interest authorized by applicable law at the time of sale of the bonds or other debt, and must mature not later than 40 years after the date of issuance.

Section 11. When a Notice of Special Tax Lien is recorded under Streets and Highways Code section 3114.5 for IA-1, a continuing lien to secure the levy of the IA-1 Special Tax will attach to all nonexempt real property in IA-1, 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 the City ceases levying the IA-1 Special Tax. When a Notice of Special Tax Lien is recorded under Streets and Highways Code section 3114.5 for IA-2, a continuing lien to secure the levy of the IA-2 Special Tax will attach to all nonexempt real property in IA-2, 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 the City ceases levying the IA-2 Special Tax.

Section 12. The City Council intends that the proposed IA-1 Special Tax and IA-2 Special Tax will be collected through the regular secured property-tax bills of the County of Sacramento and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem property taxes. But the City Council reserves the right to use any other lawful means of billing, collecting, and enforcing the IA-1 Special Tax and IA-2 Special Tax, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the special-tax lien.

Section 13. Exhibit D provides sufficient detail to allow each landowner or resident within IA-1 to estimate the maximum amount that the landowner or resident will have to pay. Exhibit D also specifies the conditions under which the obligation to pay the IA-1 Special Tax may be prepaid and permanently satisfied. As required by the Act—

(a) the maximum authorized IA-1 Special Tax 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 that (1) will be calculated and thereby established no later than the date on which the parcel is first subject to the IA-1 Special Tax because of its use for private residential purposes and (2) will not increase by more than two percent each year;

(b) the IA-1 Special Tax will not be levied against property after fiscal year 2059-60; and

(c) under no circumstances will the IA-1 Special Tax levied on a property in any fiscal year be increased, because of delinquency or default by the owner of any other parcel or parcels within IA-1, by more than ten
Section 14. Exhibit E provides sufficient detail to allow each landowner or resident within IA-2 to estimate the maximum amount that the landowner or resident will have to pay. Exhibit E also specifies the conditions under which the obligation to pay the IA-2 Special Tax may be prepaid and permanently satisfied. As required by the Act—

(a) the maximum authorized IA-2 Special Tax 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 that (1) will be calculated and thereby established no later than the date on which the parcel is first subject to the IA-2 Special Tax because of its use for private residential purposes and (2) will not increase by more than two percent each year;

(b) the IA-2 Special Tax will not be levied against property after fiscal year 2059-60; and

(c) under no circumstances will the IA-2 Special Tax levied on a property in any fiscal year be increased, because of delinquency or default by the owner of any other parcel or parcels within IA-2, by more than ten percent above the amount that would have been levied in that fiscal year had no delinquencies or defaults occurred.

Section 15. The City Council intends, under Government Code section 53340.1, to levy the proposed IA-1 Special Tax and IA-2 Special Tax, as applicable, on the leasehold or possessory interests in property owned by a public agency and otherwise exempt from the applicable special tax, to be payable by the owner of the leasehold or possessory interests.

Section 16. The City Council intends, 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 2018/19 for the IA-1 in the amount of $6.0 million and for IA-2 in the amount of $5.0 million.

Section 17. The City Council hereby fixes Tuesday, November 27, 2018, at 5:00 p.m., as the time for a public hearing to be held by the City Council to consider the establishment of the CFD and the designation of IA-1 and IA-2; the proposed rate, method of apportionment, and manner of collection of the special tax for IA-1 and IA-2; and all other matters as set forth in this resolution. The public hearing will be held in the City 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 City Council will hear and consider the testimony of all interested persons and taxpayers for or against the establishment of the
CFD and the designation of IA-1 and IA-2; the extent of the CFD; the levy of the IA-1 Special Tax and the IA-2 Special Tax; the acquisition, improvement, or construction of any of the Facilities; the financing of the Fees; the establishment of the appropriations limit for each Improvement Area; and any other matters set forth in this resolution.

Section 18. 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 City 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 protestor 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 19. Proceedings with respect to an improvement area 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 that improvement area or by the owners of one-half or more of the land area within that improvement area not exempt from the proposed special tax. If protests are directed only against certain elements of the proposed Facilities or Fees or the special tax or the other proposals contained in this resolution, then only those matters need be excluded from the proceedings.

Section 20. The public hearing may be continued from time to time but must be completed within 30 days. If, however, the City 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 not more than six months.

Section 21. At the public hearing, the City Council may modify this resolution by eliminating any of the Facilities or Fees, or by changing the IA-1 RMA or the IA-2 RMA so as to reduce the maximum special tax for all or a portion of the owners of property within IA-1 or IA-2, as applicable, or by removing any territory from the CFD or an improvement area, except that if the City Council proposes to modify this resolution in a way that will increase the probable IA-1 Special Tax or the IA-2 Special Tax (as distinct from the maximum IA-1 Special Tax or the maximum IA-2 Special Tax, which may not be increased) to be paid by the owner of any lot or parcel in an improvement area, then the City 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 those lots or parcels, and the City Council must receive and consider the report before approving any modifications or any resolution forming the CFD and designating the improvement areas that includes the modifications.
Section 22. At the end of the public hearing, the City Council may abandon these proceedings or may, after passing upon all protests, determine to proceed with establishing the CFD and designating IA-1 and IA-2. If the City Council determines at the end of the public hearing to proceed with establishing the CFD and designating IA-1 and IA-2, then it expects that the proposed voting procedure will be by landowners voting in accordance with the Act, as the City Council is informed that during the 90 days before the date set for the hearing there have been times when there were fewer than 12 registered voters residing within the CFD and each improvement area. The City Council will require this information to be confirmed before ordering the election.

Section 23. The Manager of the Public Improvement Financing 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 City Council a report briefly describing by type the facilities that, in her opinion, will be required to adequately meet the needs of the CFD, together with estimates of the cost of financing the acquisition and construction of the Facilities, the cost of financing the Fees, and an estimate of the incidental expenses related thereto. The report 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 24. In the opinion of the City 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. Notwithstanding the foregoing, the City Council, on behalf of CFD, may enter into one or more contracts directly with any of the property owners with respect to the construction or acquisition of all or any portion of the Facilities.

Section 25. The City Council intends to reserve to itself the right and authority to allow bond tenders from any interested landowner within IA-1 or IA-2 to be accepted under Government Code sections 53344.1 and 53356.8 in full or part payment of any installment of the IA-1 Special Tax or the IA-2 Special Tax or the interest or penalties thereon, as applicable.

Section 26. The Clerk shall give notice of the time and place of the public hearing in the following manner:

(a) 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 to be complete at least seven days before the date set for the public hearing); and

(b) by mailing, first-class postage prepaid, to each owner of land and to each registered voter residing within the CFD (to property owners at their addresses as shown on the last equalized assessment roll and to
registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters, or in either case as otherwise known to the Clerk) a Notice of Public Hearing in the form required by the Act, the mailing to be complete at least 15 days before the date set for the public hearing.

**Section 27.** This resolution takes effect when adopted.

**Table of Contents:**

- Exhibit A – Boundary Map
- Exhibit B – List of Authorized Facilities and Fees
- Exhibit C – Representative Listing of Incidental Expenses
- Exhibit D – Rate and Method of Apportionment – Improvement Area No. 1
- Exhibit E – Rate and Method of Apportionment – Improvement Area No. 2
EXHIBIT A

CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)

BOUNDARY MAP
EXHIBIT B

CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

DESCRIPTION OF FACILITIES TO BE FINANCED BY THE
CFD AND EACH IMPROVEMENT AREA THEREIN

The CFD (and each Improvement Area therein) shall be authorized to finance all or a portion of the costs of the acquisition, construction and improvement of facilities authorized to be financed under the Mello-Roos Act and that are required as conditions of development of the property within the CFD, including, but not limited to, the following:

I.  **Backbone Roadway Improvements**

Roadway Improvements (and all curb and gutter, sidewalks, lighting, signalization, landscaping, monumentation, and dry and wet utilities) - including, but not limited to:

- Meister Way (West Boundary to Street 35)
- Street 1 Entry (Elkhorn Blvd to Street 2)
- Elkhorn Blvd (West Boundary to SR 99)
- Meister Way Overcrossing (Street 35 to East Commerce)
- Street 2 (Street 3 to Street 41)
- Street 3 (Elkhorn Blvd to Street 16)
- Street 12 (Street 2 to Meister Way)
- Street 19 (Street 16 to Meister Way)
- Street 33 (Street 2 to Meister Way)
- Street 41 (Street 2 to Meister Way)
- Street 47 (Meister Way to Meister Way)
- Street 57 (Street 62 to Street 63)
- Street 62 (Street 47 to Street 57)
- Street 63 (Street 47 to Street 57)
- Street 80 (Meister Way to Street 77)
- All streets within the City of Sacramento impacted by the development of the property in the CFD.

II.  **Backbone Sewer Improvements**

Wastewater treatment facilities including, but not limited to, sewer lift stations, trunk sewer facilities, pipelines and all appurtenances thereto, manholes, pump stations, force mains and gravity lines.

III.  **Backbone Water Improvements**

Water facilities including, but not be limited to, water treatment facilities, pump stations, new water transmission lines, additional storage reservoirs or tanks with booster pumps, production wells, backup generators at existing wells, and pressure reducing valves.
Potential water facilities may include but are not limited to the following:

- On-Site Water T-Main Improvements
- Off-Site Water T-Main Improvements

IV. **Backbone Drainage Improvements**

Drainage improvements including, but not limited to, detention basins, trunk drainage facilities, pipes, culverts, retention basins, drop inlets, and filtration areas.

V. **Landscaping, Walls, and Trails**

1. Landscaping including, but not limited to, entryways, streets, buffers, and slopes
2. Soundwalls
3. Trail Systems

VI. **Backbone Public Utilities**

1. Backbone Joint Trench
2. SMUD Engineering Fees
3. PG&E Engineering Fees
4. Communication and CATV Fees

VII. **Facilities Financed by Fees**

- Greenbriar Lump Sum Payments
  - SMAQMD Air Quality Off-Site Construction Mitigation Fund
  - City Traffic Congestion Relief Fund
  - Police Repeater Payment
  - Turnkey Park Construction Shortfall
- Greenbriar Fees
  - NN-Regional Park
  - NN-Fire
  - NN-Community Center
  - Transit
- City of Sacramento Fees
  - Major Street Construction Excise Tax
  - Water Development Fee
  - Water Meter Fee
  - Park Fees-Local and Community Turnkey
  - Park Fees-Citywide Regional
- Other Agency Fees
  - SAFCA Levee Development Impact Fee
  - SASD Sewer Fee
  - SRCSD Sewer Fee
  - Sacto. Trans. Authority (STA) Mitigation Fee
  - Sacto. Trans. Authority (STA) Administration Fee
- School Fees
  - Twin Rivers School Impact Fee
  - Proposed Supplemental Fee
Any facility authorized to be financed by the CFD and its Improvement Areas may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

The facilities constructed or acquired may be located within or outside the CFD.

All facilities to be financed shall include (i) the costs of the acquisition of land and rights-of-way underlying or relating to the facilities themselves, or necessary for the construction and acquisition of the facilities, and (ii) all hard and soft costs associated with the facilities, including the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check, and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

VIII. Other

The CFD (and each Improvement Area therein) may also finance any of the following:

1. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.

2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD (and each Improvement Area therein) and the bonds.

3. Reimbursement of costs related to the formation of the CFD (and each Improvement Area therein) advanced by the City, the landowner(s) in the CFD (and each Improvement Area therein), or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the CFD (and each Improvement Area therein) or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD (and each Improvement Area therein).
EXHIBIT C

CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)

REPRESENTATIVE LISTING OF INCIDENTAL EXPENSES

The following list, which is not exhaustive, identifies incidental expenses may be incurred (a) in the proceedings to form the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) (the “CFD”) and to designate Improvement Area No. 1 and Improvement Area No. 2 therein; (b) in the construction, improvement, and acquisition of the authorized public facilities; (c) in the financing of the authorized governmental fees; or (d) in the related bond or debt financing. These expenses will be payable from proceeds of bonds or other debt or directly from the proceeds of the authorized Improvement Area No. 1 Special Tax or Improvement Area No. 2 Special Tax.

- Services of special-tax consultants
- City staff review, oversight, and administration
- 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 for Improvement Area No. 1 attached to this resolution as Exhibit D or the Rate and Method of Apportionment of Special Tax for Improvement Area No. 2 attached to this resolution as Exhibit E.
EXHIBIT D

CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)

RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX
IMPROVEMENT AREA NO. 1
IMPROVEMENT AREA NO. 1 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 and applicable to each Assessor’s Parcel in Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) will be levied and collected according to the tax liability the City determines through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 1, unless exempted by law or by Section G below, will be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

“Acre” means 43,560 square feet of land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map or, if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other map recorded at the County Recorder’s Office.


“Administrative Expenses” means the actual or reasonably estimated costs related to administration of the CFD and Improvement Area No. 1, including but not limited to the following:

- Costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or its designee or both).
- Costs of collecting, auditing, dispersing, and accounting for the Special Tax (whether by the County, the City, or otherwise).
- Costs of remitting the Special Tax to the Trustee.
- Costs of the Trustee (including its legal counsel) in discharging its duties under the Indenture.
- Costs to the City or its designee of complying with arbitrage-rebate requirements relating to Improvement Area No. 1.
- Costs to the City or its designee of complying with its or any obligated person’s disclosure requirements relating to any Bonds.
• Costs associated with preparing disclosure statements relating to Improvement Area No. 1.

• Costs incurred in responding to public inquiries regarding the Special Tax.

• Costs to the City or its designee related to any appeal of the Special Tax.

• Costs associated with the release of funds from any escrow account relating to Improvement Area No. 1.

• Costs to the City of issuing Bonds through Improvement Area No. 1 if not recovered from proceeds of the Bonds.

• Amounts estimated to be advanced for any other administrative purposes, including but not limited to attorney’s fees and other costs related to collection of the Special Tax or to commencing and pursuing to completion any foreclosure in Improvement Area No. 1.

“Administrator” means the City’s Special Districts Manager, his/her designee, or such other person or department as the City may designate to serve as Administrator of the CFD.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel Number that constitutes vertical space of the underlying land.

“Anticipated Park/School Site Property” means any Assessor’s Parcel that is expected to be dedicated in its entirety to the City or a public school district for use as a park or school, as identified in Attachment 3 hereto. If a park or school site is expected on a portion of an Assessor’s Parcel that will be further subdivided to create the Assessor’s Parcel that will be dedicated for a park or school site, no portion of the master Assessor’s Parcel that will be further subdivided shall be designated as Anticipated Park/School Site Property unless and until the subdivision occurs and a separate Assessor’s Parcel is created for the park or school. If an Assessor’s Parcel that was anticipated to be a park or school site, as shown in Attachment 3, is no longer expected to be dedicated to be used for a park or school, and the Administrator is made aware of the change in the Assessor’s Parcel’s expected land use, such Assessor’s Parcel shall no longer be categorized as Anticipated Park/School Site Property. Once an Assessor’s Parcel of Anticipated Park/School Site Property has been dedicated to the City, school district, or other public agency, it shall thereafter be categorized as Public Property for purposes of this RMA.

“Assessor’s Parcel” means a lot or parcel (including an Airspace Parcel) that is shown on an Assessor’s Parcel Map and has an assigned Assessor’s Parcel Number.

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

“Assessor’s Parcel Number” means the number assigned to an Assessor’s Parcel by the County Assessor for purposes of identification.

“Authorized Facilities” means the facilities and fees authorized to be funded through the CFD.
“**Base Special Tax**” means, for Residential Units within each Village and for Other Property, the applicable Special Tax initially identified in Table 1 in Section C, as may be adjusted pursuant to Section D.

“**Bonds**” means any debt (as defined in the Act) that is related to Authorized Facilities and is issued, insured, or assumed through Improvement Area No. 1, whether in one or more series.

“**Building Permit**” means a single permit or set of permits required to construct a residential or non-residential structure. If a permit is issued for a foundation, parking, landscaping, or other similar facility or amenity but a building permit has not yet been issued for the structure to be served by the facility or amenity, then the permit for the facility or amenity will not be considered a “Building Permit” for purposes of levying the Special Tax.

“**Capitalized Interest**” means funds in any capitalized interest account available to pay debt service on Bonds.

“**CFD**” means the City of Sacramento Greenbrier Community Facilities District No. 2018-03 (Improvements).

“**CFD Formation**” means the date on which the Resolution of Formation to form the CFD and Improvement Area No. 1 was adopted by the City Council.

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

“**City Council**” means the Sacramento City Council.

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

“**Developed Property**” means, in any Fiscal Year, all Taxable Property, excluding Taxable HOA Property, Taxable Multi-Family Property and Taxable Public Property, for which a Building Permit was issued before June 1 of the preceding Fiscal Year.

“**Development Class**” means, individually, Developed Property, Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

“**Exempt Property**” means any of the following:

- Public Property, except as otherwise authorized by § 53317.3 or § 53317.5 of the Act and other than Taxable Public Property.
- HOA Property, other than Taxable HOA Property.
- Multi-Family Property, other than Taxable Multi-Family Property.
- Assessor’s Parcels that are owned by a public utility and developed with an unoccupied facility.
• Assessor’s Parcels that are subject to an easement or other instrument that precludes any use other than the use set forth in the easement.

“Expected Land Uses” means the number of Residential Units expected within Improvement Area No. 1 as of CFD Formation, as identified in Attachment 1 and as amended from time to time as set forth in this RMA.

“Expected Maximum Special Tax Revenues” means the amount of annual revenue that would be available in Improvement Area No. 1 if the Maximum Special Tax was levied on the Expected Land Uses. The Expected Maximum Special Tax Revenues are shown in Attachment 1 of this RMA and may be changed due to prepayments in future Fiscal Years and/or pursuant to Section D below.

“Final Map” means a final map or portion of a final map, approved by the City under the Subdivision Map Act (California Government Code § 66410 et seq.), that creates lots that do not need to be further subdivided prior to issuance of a Building Permit for a residential structure. “Final Map” does not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map, or any portion of such a map, that does not create lots that are in their final configuration.

“Final Map Property” means, in any Fiscal Year, all Assessor’s Parcels of Taxable Property for which a Final Map had recorded prior to June 1 of the preceding Fiscal Year and which have not yet become Developed Property, excluding Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

“First Bond Sale” means issuance of the first series of Bonds secured, in whole or in part, by Special Taxes levied and collected from Assessor’s Parcels in Improvement Area No. 1.

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

“HOA Property” means any property within the boundaries of Improvement Area No. 1 that is owned in fee or by easement by the Homeowners Association, not including any such property that is located directly under a residential structure.

“Homeowners Association” means the homeowners association (including any master or sub-association) that provides services to, and collects dues, fees, or charges from, owners of property within Improvement Area No. 1.

“Improvement Area No. 1” means Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

“Indenture” means the bond indenture, fiscal-agent agreement, trust agreement, resolution, or other instrument under which Bonds are issued, as amended or supplemented from time to time, and any instrument replacing, amending, or supplementing the same.

“Land Use Change” means a proposed or approved change to the Expected Land Uses within Improvement Area No. 1 after CFD Formation.
“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Sections C and D below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

“Multi-Family Property” means any property within the boundaries of Improvement Area No. 1 for which Building Permits were issued for construction of a residential structure with five or more residential units that are offered for rent to the general public and cannot be purchased by individual homebuyers.

“Other Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property within Improvement Area No. 1 that are not Single Family Residential Property.

“Prepayment Parcel” means an Assessor’s Parcel for which the Prepayment Amount determined under Section H below has been partially or fully prepaid.

“Proportionately” means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels assigned to the Development Class.

“Public Property” means any property within Improvement Area No. 1 that is owned by the City, the County, the State of California, the federal government, or other public agency, except that any property leased by a public agency to a private entity and subject to taxation under § 53340.1 of the Act will be taxed and classified in accordance with its use. Privately owned property will be considered Public Property if its development is otherwise constrained by public use and necessity through an easement, a lease, or a license.

“Required Coverage” means the amount by which the Expected Maximum Special Tax Revenues must exceed debt service for the Bonds and required Administrative Expenses, as set forth in the Indenture, Certificate of Special Tax Consultant, or other CFD Formation document or bond document that identifies the minimum required debt service coverage.

“Residential Unit” means a for-sale single-family-detached unit or an attached individual for-sale unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, or live/work structure. A second unit (granny flat) that shares an Assessor’s Parcel with a single-family-detached unit is not a Residential Unit for purposes of levying the Special Tax.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a Building Permit has been or is permitted to be issued for construction of a Residential Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to the Final Map.

“Single Family Residential Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property for which a Building Permit was issued for construction of one or more Residential Units.

“Special Tax” means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.
“Special Tax Requirement” means the amount necessary in any Fiscal Year: (1) to pay principal and interest on Bonds due in the calendar year that begins in the Fiscal Year; (2) to create or replenish reserve funds to the extent replenishment has not been included in the computation of Special Tax Requirement in a previous Fiscal Year; (3) to cure any delinquencies in the payment of principal or interest on Bonds that has occurred in the prior Fiscal Year; (4) to pay Administrative Expenses; and (5) to pay the costs of Authorized Facilities not funded by Bonds, as allowed by the City, so long as such levy under this clause (5) does not increase the Special Tax levied on Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, or Taxable Public Property. The Special Tax Requirement may include reductions in the calculation in any Fiscal Year by interest earnings on, or surplus balances in, funds and accounts for the Bonds to the extent that the earnings or balances are available to apply against debt service in accordance with the Indenture or other relevant document; by proceeds from the collection of penalties associated with delinquent Special Taxes; and by any other revenues available to pay debt service on the Bonds, as determined by the Administrator.

“Taxable HOA Property” means, in any Fiscal Year after the First Bond Sale, any Assessor’s Parcel of HOA Property that satisfies all three of the following conditions: (1) the Assessor’s Parcel had not been HOA Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor’s Parcel was not anticipated to be HOA Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor’s Parcel were to be exempt from the Special Tax because it has become HOA Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

“Taxable Multi-Family Property” means, in any Fiscal Year after the First Bond Sale, any Assessor’s Parcel of Multi-Family Property that satisfies all three of the following conditions: (1) the Assessor’s Parcel had not been Multi-Family Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor’s Parcel was not anticipated to be Multi-Family Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor’s Parcel were to be exempt from the Special Tax because it has become Multi-Family Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

“Taxable Property” means all property within Improvement Area No. 1 that is not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Public Property” means, in any Fiscal Year after the First Bond Sale, any Assessor’s Parcel of Public Property that satisfies all three of the following conditions: (1) the Assessor’s Parcel had not been Public Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor’s Parcel was not anticipated to be Public Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor’s Parcel were to be exempt from the Special Tax because it has become Public Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.
“Tentative Map” means the tentative map for Greenbriar Phase 1, as shown in Attachment 2 of this RMA, including any adjustments or amendments thereto.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Map Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

“Village” means a specific geographic area within Improvement Area No. 1 that: (1) is identified by an assigned number on the Tentative Map; (2) is expected to have SFD Lots that are all of a similar size; and (3) is assigned Expected Maximum Special Tax Revenues in Attachment 1 based on the Expected Land Uses for that Village.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the Special Tax Requirement for the Fiscal Year. The Administrator shall also determine the following for each Assessor’s Parcel: (1) the current Assessor’s Parcel Number for the Assessor’s Parcel; (2) whether it is Developed Property, Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, Taxable Public Property, or Exempt Property; (3) for Developed Property, whether an Assessor’s Parcel is Single Family Residential Property or Other Property; and (4) for Single Family Residential Property, within which Village each Assessor’s Parcel is located and the number of Residential Units on the Assessor’s Parcel. In addition, the Administrator shall, on an ongoing basis, monitor Tentative Map revisions, Final Maps, and condominium plans to determine if there are any proposed changes to the Expected Land Uses that would reduce the Expected Maximum Special Tax Revenues for a Village. If the Expected Maximum Special Tax Revenues will be reduced pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D.1 below.

In any Fiscal Year, if the Administrator determines—

- that a Final Map or other map for an Assessor’s Parcel within Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or on any other date after which the County Assessor will not incorporate the newly created parcels into the then-current tax roll);
- that because of the date the map was recorded, the County Assessor does not yet recognize the new parcels created by the map; and
- that one or more of the newly created parcels is in a different Development Class from other parcels created by the map,

then the Administrator shall calculate the Special Tax for the property affected by recordation of the map by determining the Special Tax that applies separately to the property within each Development Class and then applying the sum of the individual Special Taxes to the Assessor’s Parcel that was subdivided by recordation of the map.
C. Maximum Special Tax

1. Developed Property and Final Map Property

The Maximum Special Tax for an Assessor’s Parcel of Developed Property or Final Map Property is the greater of (i) the Base Special Tax set forth in Table 1 below, or, (ii) the Maximum Special Tax determined pursuant to Section D.

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Base Special Tax (Fiscal Year 2018-19)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential Property</td>
<td></td>
</tr>
<tr>
<td>Village 1</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 2A</td>
<td>$2,625 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 2B</td>
<td>$2,625 per Residential Unit or SFD Lot</td>
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<tr>
<td>Village 3A</td>
<td>$2,452 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 3B</td>
<td>$2,452 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 4A</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 4B</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 5A</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 5B</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 5C</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 6</td>
<td>$2,050 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 7A</td>
<td>$2,050 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 7B</td>
<td>$1,698 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 8</td>
<td>$1,698 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 9</td>
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<tr>
<td>Village 10A</td>
<td>$1,465 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 10B</td>
<td>$1,465 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 11</td>
<td>$1,884 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 12A</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 12B</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Other Property</td>
<td>$21,000 per Acre</td>
</tr>
</tbody>
</table>

* On July 1, 2019, and on each July 1 thereafter, the Base Special Taxes shown above will be increased by 2% of the amount in effect in the previous Fiscal Year.

2. Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property and Taxable Public Property

The Maximum Special Tax for Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property, and Taxable Public Property is $21,000
per Acre for Fiscal Year 2018-19, which amount shall increase on July 1, 2019 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

D. **Changes to Maximum Special Tax**

The Expected Maximum Special Tax Revenues were calculated based on the Expected Land Uses at CFD Formation. Attachment 1 is subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review Final Maps, Tentative Map revisions, and other changes to land uses proposed within Improvement Area No. 1 and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

1. **Land Use Changes**

**Prior to the First Bond Sale**, if a Land Use Change is proposed or identified that will result in a change in the Expected Maximum Special Tax Revenues, no action will be needed pursuant to this Section D.1. Upon approval of the Land Use Change, the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues.

**After the First Bond Sale**, if a Land Use Change is proposed or identified, Steps 1 through 3 must be applied:

**Step 1:** By reference to Attachment 1 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D.1 or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Special Tax Revenues prior to the Land Use Change.

**Step 2:** The Administrator shall calculate the Expected Maximum Special Tax Revenues that could be collected from Taxable Property in Improvement Area No. 1 after the Land Use Change.

**Step 3:** If the revenues calculated in Step 2 are (i) higher than that determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Special Tax Revenues does not reduce debt service coverage on outstanding Bonds below Required Coverage, no further action is needed, and the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues.

If the revenues calculated in Step 2 are less than those calculated in Step 1, and the Administrator determines that the reduction in Expected Maximum Special Tax Revenues would reduce debt service coverage on outstanding Bonds below the Required Coverage, one of the following shall occur:

3.a. The landowner requesting the Land Use Change (the “Requesting Landowner”) may make a prepayment in an amount that will ensure that the reduced Expected Maximum Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H below. If the
Requesting Landowner notifies the Administrator that he/she would like to remedy the reduction by making a prepayment, such prepayment must be made by the earlier of (i) 30 days from the date of delivery of the prepayment estimate or (ii) the date of issuance of any Building Permits for any Assessor’s Parcel owned by the Requesting Landowner that was Final Map Property or Undeveloped Property at the time the Administrator prepared the prepayment estimate, or

3.b. If a prepayment is not received, the Base Special Tax for each Assessor’s Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues for the area affected by the Land Use Change is the same as it was prior to the Land Use Change.

If multiple Land Use Changes are proposed simultaneously by a single land owner (which may include approval of multiple Final Maps at one time), the Administrator may consider the combined effect of all the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction, the Administrator shall increase the Maximum Special Tax proportionately in all of the Final Maps being proposed by the landowner until the aggregate amount that can be levied within the Final Maps is equal to the amount that could have been levied prior to the proposed Land Use Changes. If Land Use Changes are proposed simultaneously by multiple landowners, the Administrator shall consider the proposed Land Use Changes individually.

Notwithstanding the foregoing, once a certificate of occupancy has been issued for a Residential Unit on an Assessor’s Parcel, the Maximum Special Tax for the Assessor’s Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Assessor’s Parcel is located.

The duties imposed on the Administrator pursuant to this Section D.1 to review Land Use Changes, and to review Final Maps and make certain calculations, are intended only to facilitate the administration of the Special Tax and to better assure the sufficiency of tax capacity to pay debt service on Bonds. Such duties are not intended to give any developer, subdivider, or owner of property the right to receive notice of the potential impact of Land Use Changes on the Special Tax applicable to an Assessor’s Parcel; and each developer, subdivider, or owner of property whose property is the subject of a Land Use Change shall be responsible for understanding the impact thereof on the Special Tax applicable to such property.

2. Transfer of Expected Maximum Special Tax Revenues from One Village to Another

The Expected Maximum Special Tax Revenues were determined for each Village based on the Expected Land Uses within that Village. If the expected number of Residential Units is transferred from one Village to another, the City may, in its sole discretion, allow for a corresponding transfer of Expected Maximum Special Tax Revenues between the Villages. Such a transfer shall only be allowed if: (1) all adjustments are agreed to in writing by the affected property owners and the City; and (2) there is no reduction in the total Expected Maximum Special Tax Revenues as a result of the transfer.
3. **Conversion of an Assessor’s Parcel of Public Property to Private Use**

If, in any Fiscal Year, an Assessor’s Parcel of Public Property is converted to private use, such Assessor’s Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Assessor’s Parcel shall be determined based on consideration of the Maximum Special Taxes for Assessor’s Parcels with similar land use designations, as determined by the Administrator.

**E. Method of Levy of Special Tax**

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. The City shall then levy the Special Tax according to the following steps:

**Step 1.** The Special Tax will be levied Proportionately on Developed Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel until the amount levied is equal to the Special Tax Requirement before applying Capitalized Interest that is available under the Indenture.

**Step 2.** If additional revenue is needed after Step 1 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Final Map Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Final Map Property.

**Step 3.** If additional revenue is needed after Step 2 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Undeveloped Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Undeveloped Property.

**Step 4.** If additional revenue is needed after Step 3 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Anticipated Park/School Site Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Anticipated Park/School Site Property.

**Step 5.** If additional revenue is needed after Step 4 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable Multi-Family Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Taxable Multi-Family Property.

**Step 6.** If additional revenue is needed after Step 5 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable HOA Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Taxable HOA Property.

**Step 7.** If additional revenue is needed after Step 6 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable Public Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Taxable Public Property.
Notwithstanding the above, under no circumstances will the Special Tax levied on any Single Family Residential Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other property in Improvement Area No. 1.

F. Manner of Collection of Special Tax

The Special Tax will be collected in the same manner and at the same time as ordinary ad valorem property taxes, except that: (1) prepayments are permitted as set forth in Section H below; and (2) the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax will be levied and collected until principal and interest on all Bonds have been repaid and the Authorized Facilities to be constructed directly from Special Tax proceeds have been completed. But in no event will the Special Tax be levied after Fiscal Year 2059-60.

G. Exemptions

Notwithstanding any other provision of this RMA, the Special Tax will not be levied in any Fiscal Year on: (1) Exempt Property, except Taxable Public Property, Taxable Multi-Family Property, and Taxable HOA Property; or (2) Prepayment Parcels that have fully prepaid the Special Tax obligation. Notwithstanding the foregoing, if a Special Tax has been levied on an Assessor’s Parcel in any Fiscal Year, and the entire Assessor’s Parcel subsequently meets the criteria to be categorized as Exempt Property, the Assessor’s Parcel shall remain subject to the Special Tax levy, unless the First Bond Sale has yet to occur, in which case such property shall be categorized as Public Property, HOA Property, or Multi-Family Property, as the case may be, and the Administrator shall recalculate the Expected Maximum Special Tax Revenues based on the corresponding change in revenues.

H. Prepayments

1. Definitions

The following definitions apply only to this Section H:

“Construction Fund” means the account (regardless of its name) identified in the Indenture to hold funds that are currently available to acquire or construct Authorized Facilities.

“Optional Prepayment” means a prepayment of the Special Tax, other than a mandatory prepayment under Section D.1, that is calculated using the formula in this Section H.

“Outstanding Bonds” means all Previously Issued Bonds that remain outstanding, with the following exception: if a Special Tax has been levied against, or has already been paid for, an Assessor’s Parcel for which a prepayment is to be made, and if a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), then the next principal payment will be subtracted from the
total principal of Bonds that remains outstanding, and the difference will be used as the amount of Outstanding Bonds for purposes of calculating the Prepayment Amount.

“Previously Issued Bonds” means all Bonds that have been issued before the date of prepayment.

“Public Facilities Requirement” means either: (a) $34.7 million in 2018 dollars, increased 2% annually on each July 1 beginning July 1, 2019; or (b) such other number as the City determines in its sole discretion to be sufficient both to fund the Authorized Facilities projected to be funded by Improvement Area No. 1 and to treat all owners of Taxable Property within Improvement Area No. 1 fairly and equitably.

“Remaining Facilities Costs” means the Public Facilities Requirement minus public-facility costs funded by Previously Issued Bonds or by Special Taxes.

2. Full Prepayment

The Special Tax obligation applicable to an Assessor’s Parcel may be prepaid and the obligation of the Assessor’s Parcel for the Special Tax permanently satisfied as described in this Section H.2, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to the Assessor’s Parcel at the time of prepayment. An owner of a Assessor’s Parcel intending to prepay the Special Tax obligation must provide the City with written notice of intent to prepay. Within 30 days after receipt of a written notice of intent to prepay, the City or its designee shall notify the owner of the amount required to fully prepay the Special Tax obligation for the Assessor’s Parcel (the “Prepayment Amount”). Prepayment must be made not less than 75 days before any redemption date for Bonds to be redeemed with the proceeds of the prepaid Special Taxes unless otherwise permitted by the City. Under no circumstance will a prepayment be allowed that would reduce debt-service coverage below the Required Coverage. The Prepayment Amount will be calculated as follows (capitalized terms as defined above or below):

\[
\text{The Bond Redemption Amount} + \text{the Remaining Facilities Amount} + \text{the Redemption Premium (if applicable)} + \text{the Defeasance Requirement} + \text{the Administrative Fees and Expenses} - \text{the Proportionate Reserve Fund Credit} = \text{the Prepayment Amount}
\]

As of the proposed date of prepayment, the Administrator shall calculate the Prepayment Amount by applying the following steps:

**Step 1.** Calculate the Maximum Special Tax to be prepaid for the Assessor’s Parcel based on the Expected Land Uses for the Assessor’s Parcel. If this Section H is being applied to calculate a prepayment under Section D.1 above, then use, for purposes of this Step 1, the amount by which the Maximum Special Tax revenues have been reduced below
the amount needed to maintain Required Coverage due to the Land Use Change that necessitated the prepayment.

**Step 2.** Divide the Maximum Special Tax calculated under Step 1 by the Maximum Special Tax revenues that could be generated at buildout of all property in Improvement Area No. 1 based on the Expected Land Uses at the time the prepayment is calculated.

**Step 3.** Multiply the quotient calculated under Step 2 by the principal amount of the Outstanding Bonds to calculate the amount of Outstanding Bonds to be retired and prepaid (the “**Bond Redemption Amount**”).

**Step 4.** Calculate the current Remaining Facilities Costs (if any).

**Step 5.** Multiply the quotient calculated under Step 2 by the amount calculated under Step 4 to calculate the amount of Remaining Facilities Costs to be prepaid (the “**Remaining Facilities Amount**”).

**Step 6.** Multiply the Bond Redemption Amount calculated under Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “**Redemption Premium**”).

**Step 7.** Calculate the amount needed to pay interest on the Bond Redemption Amount starting with the last Bond interest-payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds. If Bonds are callable at or before the last Bond interest-payment date on which interest has been or will be paid by Special Taxes already levied, then Steps 7, 8, and 9 of this prepayment formula will not apply.

**Step 8.** Calculate the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest-payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

**Step 9.** Subtract the amount calculated under Step 8 from the amount calculated under Step 7 (the “**Defeasance Requirement**”).

**Step 10.** Calculate the Administrative Expenses associated with the prepayment, including the costs of determining the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (the “**Administrative Fees and Expenses**”).

**Step 11.** If, when the prepayment is determined, the reserve fund is greater than or equal to the reserve requirement, then, to the extent so provided in the Indenture, calculate a proportionate reserve fund credit as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed with the prepayment (the “**Proportionate Reserve Fund Credit**”).

**Step 12.** The Prepayment Amount is equal to the sum of the amounts calculated under Steps 3, 5, 6, 9, and 10 minus the amount calculated under Step 11.
Step 13. From the Prepayment Amount, the amounts calculated under Steps 3, 6, and 9 will be deposited into the appropriate fund as established under the Indenture and will be used to retire Outstanding Bonds or make debt-service payments. The amount calculated under Step 5 will be deposited into the Construction Fund. The amount calculated under Step 10 will be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment has been received, a Notice of Cancellation of Special Tax Lien will be recorded against the affected Assessor’s Parcel, except that a Notice of Cancellation of Special Tax Lien will not be recorded until all Special Taxes levied on the affected Assessor’s Parcel in the current or prior Fiscal Years have been collected.

3. Partial Prepayment

The Special Tax on an Assessor’s Parcel for which a certificate of occupancy has not yet been issued or a final inspection has not been conducted may be partially prepaid (a “Partial Prepayment”). Only one Partial Prepayment is permitted for each legal parcel, and a Partial Prepayment will not be accepted for an Assessor’s Parcel after a certificate of occupancy has been issued or a final inspection completed for that Assessor’s Parcel.

The owner of an Assessor’s Parcel who desires to make a Partial Prepayment must notify the Administrator of the percentage of the Special Tax to be prepaid. The Administrator shall provide the owner with a statement of the amount required for the Partial Prepayment within 30 days after receiving the request and may charge a fee for providing this service. With respect to any Special Tax that is partially prepaid on an Assessor’s Parcel, the Administrator shall (a) distribute the remitted prepayment funds according to Section H.2 above and (b) indicate in the records of the CFD that there has been a Partial Prepayment of the Special Tax and that a portion of the Special Tax with respect to the Assessor’s Parcel, equal to the non-prepaid percentage of the Maximum Special Tax, will continue to be levied on the Assessor’s Parcel according to Section F.

Once a Partial Prepayment has been received, an Amendment to Special Tax Lien will be recorded against the affected Assessor’s Parcel. However, an Amendment to Special Tax Lien will not be recorded until all Special Taxes levied on the affected Assessor’s Parcel in the current or prior Fiscal Years have been collected.

4. Prepayment Restrictions

Optional Prepayment of the Special Tax in accordance with this Section H is not permitted if it would reduce debt service coverage below the Required Coverage.

I. Records Maintained for the CFD

As development occurs in the CFD, the Administrator shall maintain a file containing records of the following information for each Assessor’s Parcel:
• The current Assessor’s Parcel Number
• The current Final Map status for the Assessor’s Parcel
• The current Building Permit status for the Assessor’s Parcel
• The designated and existing uses for the Assessor’s Parcel
• The total number of Residential Units assigned to the Assessor’s Parcel
• The Maximum Special Tax assigned to the Assessor’s Parcel
• Prepayments, including prepayments for Assessor’s Parcels that have fully or partially paid the Special Tax

J. INTERPRETATION OF SPECIAL TAX FORMULA

The City Council may, by resolution, interpret this RMA for purposes of clarifying any vagueness or ambiguity in the Special Tax rates, method of apportionment, classification of properties, and definitions applicable to the CFD. The City Council’s interpretation will be conclusive. The Administrator may do the following without the City Council’s approval:

(1) Interpret this RMA for purposes of clarifying matters as they relate to the Special Tax rate, the method of apportionment, the classification of properties, or the definitions applicable to the CFD.

(2) Make minor, non-substantive administrative and technical changes to this RMA for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law, but only if the changes do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax.

In addition, the City, upon request of an owner of land that is not Developed Property, may amend this RMA to reallocate the Special Tax applicable to such owner’s land in a manner acceptable to the City, without resolution or ordinance of the City Council, upon the affirmative vote of such owner and without the vote of owners of any other land within the CFD, provided such amendment: (i) only affects the owner’s land, (ii) does not reduce the Expected Maximum Special Tax Revenues, and (iii) provides for a Special Tax distribution upon development of such land which is reasonably proportional and consistent with Special Tax rates provided for in Section C (including escalations thereto) for similar land uses and is compliant with the tax assessment loan exception contained in U.S. Treasury Regulation Section 1.141-5(d), as determined by the City.

K. APPEALS

A taxpayer who believes that the amount of the Special Tax assigned to the taxpayer’s Assessor’s Parcel is in error may file a notice with the Administrator, who will then promptly review the appeal and, if necessary, meet with the taxpayer. If the Administrator determines that the Special Tax should be modified, then the Special Tax levy will be corrected and, if applicable, a credit or refund will be granted.
**ATTACHMENT 1**

**IMPROVEMENT AREA NO. 1 OF THE**

**CITY OF SACRAMENTO**

**GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03**

**(IMPROVEMENTS)**

**EXPECTED LAND USES AND EXPECTED MAXIMUM SPECIAL TAX REVENUES**

<table>
<thead>
<tr>
<th>Village</th>
<th>Expected Land Uses</th>
<th>Base Special Tax FY 2018-19 /1</th>
<th>Expected Maximum Special Tax Revenues FY 2018-19 /1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village 1</td>
<td>23 Residential Units</td>
<td>$2,282 per Residential Unit</td>
<td>$52,486</td>
</tr>
<tr>
<td>Village 2A</td>
<td>45 Residential Units</td>
<td>$2,625 per Residential Unit</td>
<td>$118,125</td>
</tr>
<tr>
<td>Village 2B</td>
<td>71 Residential Units</td>
<td>$2,625 per Residential Unit</td>
<td>$186,375</td>
</tr>
<tr>
<td>Village 3A</td>
<td>75 Residential Units</td>
<td>$2,452 per Residential Unit</td>
<td>$183,900</td>
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<tr>
<td>Village 3B</td>
<td>61 Residential Units</td>
<td>$2,452 per Residential Unit</td>
<td>$149,572</td>
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<tr>
<td>Village 4A</td>
<td>30 Residential Units</td>
<td>$2,282 per Residential Unit</td>
<td>$68,460</td>
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<tr>
<td>Village 4B</td>
<td>49 Residential Units</td>
<td>$2,282 per Residential Unit</td>
<td>$111,818</td>
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<tr>
<td>Village 5A</td>
<td>70 Residential Units</td>
<td>$2,050 per Residential Unit</td>
<td>$143,500</td>
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<tr>
<td>Village 5B</td>
<td>34 Residential Units</td>
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<td>$69,700</td>
</tr>
<tr>
<td>Village 5C</td>
<td>54 Residential Units</td>
<td>$2,050 per Residential Unit</td>
<td>$110,700</td>
</tr>
<tr>
<td>Village 6</td>
<td>67 Residential Units</td>
<td>$1,884 per Residential Unit</td>
<td>$126,228</td>
</tr>
<tr>
<td>Village 7A</td>
<td>60 Residential Units</td>
<td>$2,125 per Residential Unit</td>
<td>$127,500</td>
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<td>Village 7B</td>
<td>42 Residential Units</td>
<td>$2,125 per Residential Unit</td>
<td>$89,250</td>
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<tr>
<td>Village 8</td>
<td>87 Residential Units</td>
<td>$1,698 per Residential Unit</td>
<td>$147,726</td>
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<td>Village 9</td>
<td>51 Residential Units</td>
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<td>Village 10A</td>
<td>85 Residential Units</td>
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<td>Village 10B</td>
<td>51 Residential Units</td>
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<td>Village 11</td>
<td>55 Residential Units</td>
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<td>Village 12A</td>
<td>86 Residential Units</td>
<td>$2,282 per Residential Unit</td>
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<tr>
<td>Village 12B</td>
<td>42 Residential Units</td>
<td>$2,282 per Residential Unit</td>
<td>$95,844</td>
</tr>
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</table>

**Total** 1,138 Residential Units  
**N/A**  
$2,366,894

/1 On July 1, 2019 and each July 1 thereafter, the Base Special Taxes and the Expected Maximum Special Tax Revenues shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.
ATTACHMENT 2

IMPROVEMENT AREA NO. 1 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

IDENTIFICATION OF VILLAGES
ATTACHMENT 3

IMPROVEMENT AREA NO. 1 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

IDENTIFICATION OF ANTICIPATED PARK/SCHOOL SITE PROPERTY
EXHIBIT E

CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)

RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX
IMPROVEMENT AREA NO. 2
A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 and applicable to each Assessor’s Parcel in Improvement Area No. 2 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements) will be levied and collected according to the tax liability the City determines through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 2, unless exempted by law or by Section G below, will be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

“Acre” means 43,560 square feet of land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map or, if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other map recorded at the County Recorder’s Office.


“Administrative Expenses” means the actual or reasonably estimated costs related to administration of the CFD and Improvement Area No. 2, including but not limited to the following:

- Costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or its designee or both).
- Costs of collecting, auditing, dispersing, and accounting for the Special Tax (whether by the County, the City, or otherwise).
- Costs of remitting the Special Tax to the Trustee.
- Costs of the Trustee (including its legal counsel) in discharging its duties under the Indenture.
- Costs to the City or its designee of complying with arbitrage-rebate requirements relating to Improvement Area No. 2.
- Costs to the City or its designee of complying with its or any obligated person’s disclosure requirements relating to any Bonds.
- Costs associated with preparing disclosure statements relating to Improvement Area No. 2.
- Costs incurred in responding to public inquiries regarding the Special Tax.
- Costs to the City or its designee related to any appeal of the Special Tax.
- Costs associated with the release of funds from any escrow account relating to Improvement Area No. 2.
- Costs to the City of issuing Bonds through Improvement Area No. 2 if not recovered from proceeds of the Bonds.
- Amounts estimated to be advanced for any other administrative purposes, including but not limited to attorney’s fees and other costs related to collection of the Special Tax or to commencing and pursuing to completion any foreclosure in Improvement Area No. 2.

“Administrator” means the City’s Special Districts Manager, his/her designee, or such other person or department as the City may designate to serve as Administrator of the CFD.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel Number that constitutes vertical space of the underlying land.

“Anticipated Park/School Site Property” means any Assessor’s Parcel that is expected to be dedicated in its entirety to the City or a public school district for use as a park or school, as identified in Attachment 3 hereto. If a park or school site is expected on a portion of an Assessor’s Parcel that will be further subdivided to create the Assessor’s Parcel that will be dedicated for a park or school site, no portion of the master Assessor’s Parcel that will be further subdivided shall be designated as Anticipated Park/School Site Property unless and until the subdivision occurs and a separate Assessor’s Parcel is created for the park or school. If an Assessor’s Parcel that was anticipated to be a park or school site, as shown in Attachment 3, is no longer expected to be dedicated to be used for a park or school, and the Administrator is made aware of the change in the Assessor’s Parcel’s expected land use, such Assessor’s Parcel shall no longer be categorized as Anticipated Park/School Site Property. Once an Assessor’s Parcel of Anticipated Park/School Site Property has been dedicated to the City, school district, or other public agency, it shall thereafter be categorized as Public Property for purposes of this RMA.

“Assessor’s Parcel” means a lot or parcel (including an Airspace Parcel) that is shown on an Assessor’s Parcel Map and has an assigned Assessor’s Parcel Number.

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

“Assessor’s Parcel Number” means the number assigned to an Assessor’s Parcel by the County Assessor for purposes of identification.

“Authorized Facilities” means the facilities and fees authorized to be funded through the CFD.
“Base Special Tax” means, for Residential Units within each Village and for Other Property, the applicable Special Tax initially identified in Table 1 in Section C, as may be adjusted pursuant to Section D.

“Bonds” means any debt (as defined in the Act) that is related to Authorized Facilities and is issued, insured, or assumed through Improvement Area No. 2, whether in one or more series.

“Building Permit” means a single permit or set of permits required to construct a residential or non-residential structure. If a permit is issued for a foundation, parking, landscaping, or other similar facility or amenity but a building permit has not yet been issued for the structure to be served by the facility or amenity, then the permit for the facility or amenity will not be considered a “Building Permit” for purposes of levying the Special Tax.

“Capitalized Interest” means funds in any capitalized interest account available to pay debt service on Bonds.

“CFD” means the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

“CFD Formation” means the date on which the Resolution of Formation to form the CFD and Improvement Area No. 2 was adopted by the City Council.

“City” means the City of Sacramento, California.

“City Council” means the Sacramento City Council.

“County” means the County of Sacramento, California.

“Developed Property” means, in any Fiscal Year, all Taxable Property, excluding Taxable HOA Property, Taxable Multi-Family Property and Taxable Public Property, for which a Building Permit was issued before June 1 of the preceding Fiscal Year.

“Development Class” means, individually, Developed Property, Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

“Exempt Property” means any of the following:

- Public Property, except as otherwise authorized by § 53317.3 or § 53317.5 of the Act and other than Taxable Public Property.
- HOA Property, other than Taxable HOA Property.
- Multi-Family Property, other than Taxable Multi-Family Property.
- Assessor’s Parcels that are owned by a public utility and developed with an unoccupied facility.
• Assessor’s Parcels that are subject to an easement or other instrument that precludes any use other than the use set forth in the easement.

“Expected Land Uses” means the number of Residential Units expected within Improvement Area No. 2 as of CFD Formation, as identified in Attachment 1 and as amended from time to time as set forth in this RMA.

“Expected Maximum Special Tax Revenues” means the amount of annual revenue that would be available in Improvement Area No. 2 if the Maximum Special Tax was levied on the Expected Land Uses. The Expected Maximum Special Tax Revenues are shown in Attachment 1 of this RMA and may be changed due to prepayments in future Fiscal Years and/or pursuant to Section D below.

“Final Map” means a final map or portion of a final map, approved by the City under the Subdivision Map Act (California Government Code § 66410 et seq.), that creates lots that do not need to be further subdivided prior to issuance of a Building Permit for a residential structure. “Final Map” does not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map, or any portion of such a map, that does not create lots that are in their final configuration.

“Final Map Property” means, in any Fiscal Year, all Assessor’s Parcels of Taxable Property for which a Final Map had recorded prior to June 1 of the preceding Fiscal Year and which have not yet become Developed Property, excluding Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

“First Bond Sale” means issuance of the first series of Bonds secured, in whole or in part, by Special Taxes levied and collected from Assessor’s Parcels in Improvement Area No. 2.

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

“HOA Property” means any property within the boundaries of Improvement Area No. 2 that is owned in fee or by easement by the Homeowners Association, not including any such property that is located directly under a residential structure.

“Homeowners Association” means the homeowners association (including any master or sub-association) that provides services to, and collects dues, fees, or charges from, owners of property within Improvement Area No. 2.

“Improvement Area No. 2” means Improvement Area No. 2 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements).

“Indenture” means the bond indenture, fiscal-agent agreement, trust agreement, resolution, or other instrument under which Bonds are issued, as amended or supplemented from time to time, and any instrument replacing, amending, or supplementing the same.

“Land Use Change” means a proposed or approved change to the Expected Land Uses within Improvement Area No. 2 after CFD Formation.
“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Sections C and D below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

“Multi-Family Property” means any property within the boundaries of Improvement Area No. 2 for which Building Permits were issued for construction of a residential structure with five or more residential units that are offered for rent to the general public and cannot be purchased by individual homebuyers.

“Other Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property within Improvement Area No. 2 that are not Single Family Residential Property.

“Prepayment Parcel” means an Assessor’s Parcel for which the Prepayment Amount determined under Section H below has been partially or fully prepaid.

“Proportionately” means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels assigned to the Development Class.

“Public Property” means any property within Improvement Area No. 2 that is owned by the City, the County, the State of California, the federal government, or other public agency, except that any property leased by a public agency to a private entity and subject to taxation under § 53340.1 of the Act will be taxed and classified in accordance with its use. Privately owned property will be considered Public Property if its development is otherwise constrained by public use and necessity through an easement, a lease, or a license.

“Required Coverage” means the amount by which the Expected Maximum Special Tax Revenues must exceed debt service for the Bonds and required Administrative Expenses, as set forth in the Indenture, Certificate of Special Tax Consultant, or other CFD Formation document or bond document that identifies the minimum required debt service coverage.

“Residential Unit” means a for-sale single-family-detached unit or an attached individual for-sale unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, or live/work structure. A second unit (granny flat) that shares an Assessor’s Parcel with a single-family-detached unit is not a Residential Unit for purposes of levying the Special Tax.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a Building Permit has been or is permitted to be issued for construction of a Residential Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to the Final Map.

“Single Family Residential Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property for which a Building Permit was issued for construction of one or more Residential Units.

“Special Tax” means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.
“Special Tax Requirement” means the amount necessary in any Fiscal Year: (1) to pay principal and interest on Bonds due in the calendar year that begins in the Fiscal Year; (2) to create or replenish reserve funds to the extent replenishment has not been included in the computation of Special Tax Requirement in a previous Fiscal Year; (3) to cure any delinquencies in the payment of principal or interest on Bonds that has occurred in the prior Fiscal Year; (4) to pay Administrative Expenses; and (5) to pay the costs of Authorized Facilities not funded by Bonds, as allowed by the City, so long as such levy under this clause (5) does not increase the Special Tax levied on Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, or Taxable Public Property. The Special Tax Requirement may include reductions in the calculation in any Fiscal Year by interest earnings on, or surplus balances in, funds and accounts for the Bonds to the extent that the earnings or balances are available to apply against debt service in accordance with the Indenture or other relevant document; by proceeds from the collection of penalties associated with delinquent Special Taxes; and by any other revenues available to pay debt service on the Bonds, as determined by the Administrator.

“Taxable HOA Property” means, in any Fiscal Year after the First Bond Sale, any Assessor’s Parcel of HOA Property that satisfies all three of the following conditions: (1) the Assessor’s Parcel had not been HOA Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor’s Parcel was not anticipated to be HOA Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor’s Parcel were to be exempt from the Special Tax because it has become HOA Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

“Taxable Multi-Family Property” means, in any Fiscal Year after the First Bond Sale, any Assessor’s Parcel of Multi-Family Property that satisfies all three of the following conditions: (1) the Assessor’s Parcel had not been Multi-Family Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor’s Parcel was not anticipated to be Multi-Family Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor’s Parcel were to be exempt from the Special Tax because it has become Multi-Family Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

“Taxable Property” means all property within Improvement Area No. 2 that is not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Public Property” means, in any Fiscal Year after the First Bond Sale, any Assessor’s Parcel of Public Property that satisfies all three of the following conditions: (1) the Assessor’s Parcel had not been Public Property on the date of the First Bond Sale; (2) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D.1 below), the Assessor’s Parcel was not anticipated to be Public Property based on the Expected Land Uses, as determined by the Administrator; and (3) if the Assessor’s Parcel were to be exempt from the Special Tax because it has become Public Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.
“Tentative Map” means the tentative map for Greenbriar Phase 2, as shown in Attachment 2 of this RMA, including any adjustments or amendments thereto.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Map Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, and Taxable Public Property.

“Village” means a specific geographic area within Improvement Area No. 2 that: (1) is identified by an assigned number on the Tentative Map; (2) is expected to have SFD Lots that are all of a similar size; and (3) is assigned Expected Maximum Special Tax Revenues in Attachment 1 based on the Expected Land Uses for that Village.

**B. DATA FOR ADMINISTRATION OF SPECIAL TAX**

On or about July 1 of each Fiscal Year, the Administrator shall identify the Special Tax Requirement for the Fiscal Year. The Administrator shall also determine the following for each Assessor’s Parcel: (1) the current Assessor’s Parcel Number for the Assessor’s Parcel; (2) whether it is Developed Property, Final Map Property, Undeveloped Property, Anticipated Park/School Site Property, Taxable HOA Property, Taxable Multi-Family Property, Taxable Public Property, or Exempt Property; (3) for Developed Property, whether an Assessor’s Parcel is Single Family Residential Property or Other Property; and (4) for Single Family Residential Property, within which Village each Assessor’s Parcel is located and the number of Residential Units on the Assessor’s Parcel. In addition, the Administrator shall, on an ongoing basis, monitor Tentative Map revisions, Final Maps, and condominium plans to determine if there are any proposed changes to the Expected Land Uses that would reduce the Expected Maximum Special Tax Revenues for a Village. If the Expected Maximum Special Tax Revenues will be reduced pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D.1 below.

In any Fiscal Year, if the Administrator determines—

- that a Final Map or other map for an Assessor’s Parcel within Improvement Area No. 2 was recorded after January 1 of the prior Fiscal Year (or on any other date after which the County Assessor will not incorporate the newly created parcels into the then-current tax roll);
- that because of the date the map was recorded, the County Assessor does not yet recognize the new parcels created by the map; and
- that one or more of the newly created parcels is in a different Development Class from other parcels created by the map,

then the Administrator shall calculate the Special Tax for the property affected by recordation of the map by determining the Special Tax that applies separately to the property within each Development Class and then applying the sum of the individual Special Taxes to the Assessor’s Parcel that was subdivided by recordation of the map.
C. **Maximum Special Tax**

1. **Developed Property and Final Map Property**

The Maximum Special Tax for an Assessor’s Parcel of Developed Property or Final Map Property is the greater of (i) the Base Special Tax set forth in Table 1 below, or, (ii) the Maximum Special Tax determined pursuant to Section D.

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Base Special Tax (Fiscal Year 2018-19)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential Property</td>
<td></td>
</tr>
<tr>
<td>Village 14</td>
<td>$1,465 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 15</td>
<td>$1,465 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 16</td>
<td>$1,884 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 17A</td>
<td>$1,698 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 17B</td>
<td>$1,698 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 18</td>
<td>$1,884 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 19</td>
<td>$2,125 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 20</td>
<td>$1,884 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 21</td>
<td>$2,125 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 22</td>
<td>$2,125 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 23</td>
<td>$1,698 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 24A</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 24B</td>
<td>$2,282 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 25A</td>
<td>$2,050 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 25B</td>
<td>$2,050 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 26A</td>
<td>$2,050 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 26B</td>
<td>$2,050 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 27A</td>
<td>$2,452 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Village 27B</td>
<td>$2,452 per Residential Unit or SFD Lot</td>
</tr>
<tr>
<td>Other Property</td>
<td>$21,311 per Acre</td>
</tr>
</tbody>
</table>

* On July 1, 2019, and on each July 1 thereafter, the Base Special Taxes shown above will be increased by 2% of the amount in effect in the previous Fiscal Year.

2. **Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property and Taxable Public Property**

The Maximum Special Tax for Undeveloped Property, Anticipated Park/School Site Property, Taxable Multi-Family Property, Taxable HOA Property, and Taxable Public Property is $21,311 per Acre for Fiscal Year 2018-19, which amount shall increase on July 1, 2019 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.
D. CHANGES TO MAXIMUM SPECIAL TAX

The Expected Maximum Special Tax Revenues were calculated based on the Expected Land Uses at CFD Formation. Attachment 1 is subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review Final Maps, Tentative Map revisions, and other changes to land uses proposed within Improvement Area No. 2 and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

1. Land Use Changes

Prior to the First Bond Sale, if a Land Use Change is proposed or identified that will result in a change in the Expected Maximum Special Tax Revenues, no action will be needed pursuant to this Section D.1. Upon approval of the Land Use Change, the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues.

After the First Bond Sale, if a Land Use Change is proposed or identified, Steps 1 through 3 must be applied:

Step 1: By reference to Attachment 1 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D.1 or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Special Tax Revenues prior to the Land Use Change.

Step 2: The Administrator shall calculate the Expected Maximum Special Tax Revenues that could be collected from Taxable Property in Improvement Area No. 2 after the Land Use Change.

Step 3: If the revenues calculated in Step 2 are (i) higher than that determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Special Tax Revenues does not reduce debt service coverage on outstanding Bonds below Required Coverage, no further action is needed, and the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues.

If the revenues calculated in Step 2 are less than those calculated in Step 1, and the Administrator determines that the reduction in Expected Maximum Special Tax Revenues would reduce debt service coverage on outstanding Bonds below the Required Coverage, one of the following shall occur:

3.a. The landowner requesting the Land Use Change (the “Requesting Landowner”) may make a prepayment in an amount that will ensure that the reduced Expected Maximum Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H below. If the Requesting Landowner notifies the Administrator that he/she would like to remedy the reduction by making a prepayment, such prepayment must be made.
by the earlier of (i) 30 days from the date of delivery of the prepayment estimate or (ii) the date of issuance of any Building Permits for any Assessor’s Parcel owned by the Requesting Landowner that was Final Map Property or Undeveloped Property at the time the Administrator prepared the prepayment estimate, or

3.b. If a prepayment is not received, the Base Special Tax for each Assessor’s Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues for the area affected by the Land Use Change is the same as it was prior to the Land Use Change.

If multiple Land Use Changes are proposed simultaneously by a single land owner (which may include approval of multiple Final Maps at one time), the Administrator may consider the combined effect of all the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction, the Administrator shall increase the Maximum Special Tax proportionately in all of the Final Maps being proposed by the landowner until the aggregate amount that can be levied within the Final Maps is equal to the amount that could have been levied prior to the proposed Land Use Changes. If Land Use Changes are proposed simultaneously by multiple landowners, the Administrator shall consider the proposed Land Use Changes individually.

Notwithstanding the foregoing, once a certificate of occupancy has been issued for a Residential Unit on an Assessor’s Parcel, the Maximum Special Tax for the Assessor’s Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Assessor’s Parcel is located.

The duties imposed on the Administrator pursuant to this Section D.1 to review Land Use Changes, and to review Final Maps and make certain calculations, are intended only to facilitate the administration of the Special Tax and to better assure the sufficiency of tax capacity to pay debt service on Bonds. Such duties are not intended to give any developer, subdivider, or owner of property the right to receive notice of the potential impact of Land Use Changes on the Special Tax applicable to an Assessor’s Parcel; and each developer, subdivider, or owner of property whose property is the subject of a Land Use Change shall be responsible for understanding the impact thereof on the Special Tax applicable to such property.

2. Transfer of Expected Maximum Special Tax Revenues from One Village to Another

The Expected Maximum Special Tax Revenues were determined for each Village based on the Expected Land Uses within that Village. If the expected number of Residential Units is transferred from one Village to another, the City may, in its sole discretion, allow for a corresponding transfer of Expected Maximum Special Tax Revenues between the Villages. Such a transfer shall only be allowed if: (1) all adjustments are agreed to in writing by the affected property owners and the City; and (2) there is no reduction in the total Expected Maximum Special Tax Revenues as a result of the transfer.
3. Conversion of an Assessor’s Parcel of Public Property to Private Use

If, in any Fiscal Year, an Assessor’s Parcel of Public Property is converted to private use, such Assessor’s Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Assessor’s Parcel shall be determined based on consideration of the Maximum Special Taxes for Assessor’s Parcels with similar land use designations, as determined by the Administrator.

E. Method of Levy of Special Tax

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. The City shall then levy the Special Tax according to the following steps:

Step 1. The Special Tax will be levied Proportionately on Developed Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel until the amount levied is equal to the Special Tax Requirement before applying Capitalized Interest that is available under the Indenture.

Step 2. If additional revenue is needed after Step 1 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Final Map Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Final Map Property.

Step 3. If additional revenue is needed after Step 2 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Undeveloped Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Undeveloped Property.

Step 4. If additional revenue is needed after Step 3 to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax will be levied Proportionately on Anticipated Park/School Site Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Anticipated Park/School Site Property.

Step 5. If additional revenue is needed after Step 4 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable Multi-Family Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Taxable Multi-Family Property.

Step 6. If additional revenue is needed after Step 5 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable HOA Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Taxable HOA Property.

Step 7. If additional revenue is needed after Step 6 to meet the Special Tax Requirement, the Special Tax will be levied Proportionately on Taxable Public Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Taxable Public Property.
Notwithstanding the above, under no circumstances will the Special Tax levied on any Single Family Residential Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other property in Improvement Area No. 2.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax will be collected in the same manner and at the same time as ordinary ad valorem property taxes, except that: (1) prepayments are permitted as set forth in Section H below; and (2) the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax will be levied and collected until principal and interest on all Bonds have been repaid and the Authorized Facilities to be constructed directly from Special Tax proceeds have been completed. But in no event will the Special Tax be levied after Fiscal Year 2059-60.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, the Special Tax will not be levied in any Fiscal Year on: (1) Exempt Property, except Taxable Public Property, Taxable Multi-Family Property, and Taxable HOA Property; or (2) Prepayment Parcels that have fully prepaid the Special Tax obligation. Notwithstanding the foregoing, if a Special Tax has been levied on an Assessor’s Parcel in any Fiscal Year, and the entire Assessor’s Parcel subsequently meets the criteria to be categorized as Exempt Property, the Assessor’s Parcel shall remain subject to the Special Tax levy, unless the First Bond Sale has yet to occur, in which case such property shall be categorized as Public Property, HOA Property, or Multi-Family Property, as the case may be, and the Administrator shall recalculate the Expected Maximum Special Tax Revenues based on the corresponding change in revenues.

H. PREPAYMENTS

1. Definitions

The following definitions apply only to this Section H:

“Construction Fund” means the account (regardless of its name) identified in the Indenture to hold funds that are currently available to acquire or construct Authorized Facilities.

“Optional Prepayment” means a prepayment of the Special Tax, other than a mandatory prepayment under Section D.1, that is calculated using the formula in this Section H.

“Outstanding Bonds” means all Previously Issued Bonds that remain outstanding, with the following exception: if a Special Tax has been levied against, or has already been paid for, an Assessor’s Parcel for which a prepayment is to be made, and if a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), then the next principal payment will be subtracted from the
total principal of Bonds that remains outstanding, and the difference will be used as the amount of Outstanding Bonds for purposes of calculating the Prepayment Amount.

“Previously Issued Bonds” means all Bonds that have been issued before the date of prepayment.

“Public Facilities Requirement” means either: (a) $29.2 million in 2018 dollars, increased 2% annually on each July 1 beginning July 1, 2019; or (b) such other number as the City determines in its sole discretion to be sufficient both to fund the Authorized Facilities projected to be funded by Improvement Area No. 2 and to treat all owners of Taxable Property within Improvement Area No. 2 fairly and equitably.

“Remaining Facilities Costs” means the Public Facilities Requirement minus public-facility costs funded by Previously Issued Bonds or by Special Taxes.

2. Full Prepayment

The Special Tax obligation applicable to an Assessor’s Parcel may be prepaid and the obligation of the Assessor’s Parcel for the Special Tax permanently satisfied as described in this Section H.2, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to the Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation must provide the City with written notice of intent to prepay. Within 30 days after receipt of a written notice of intent to prepay, the City or its designee shall notify the owner of the amount required to fully prepay the Special Tax obligation for the Assessor’s Parcel (the “Prepayment Amount”). Prepayment must be made not less than 75 days before any redemption date for Bonds to be redeemed with the proceeds of the prepaid Special Taxes unless otherwise permitted by the City. Under no circumstance will a prepayment be allowed that would reduce debt-service coverage below the Required Coverage. The Prepayment Amount will be calculated as follows (capitalized terms as defined above or below):

The Bond Redemption Amount
  •  plus the Remaining Facilities Amount
  •  plus the Redemption Premium (if applicable)
  •  plus the Defeasance Requirement
  •  plus the Administrative Fees and Expenses
  •  less the Proportionate Reserve Fund Credit

equals the Prepayment Amount

As of the proposed date of prepayment, the Administrator shall calculate the Prepayment Amount by applying the following steps:

Step 1. Calculate the Maximum Special Tax to be prepaid for the Assessor’s Parcel based on the Expected Land Uses for the Assessor’s Parcel. If this Section H is being applied to calculate a prepayment under Section D.1 above, then use, for purposes of this Step 1, the amount by which the Maximum Special Tax revenues have been reduced below
the amount needed to maintain Required Coverage due to the Land Use Change that necessitated the prepayment.

Step 2. Divide the Maximum Special Tax calculated under Step 1 by the Maximum Special Tax revenues that could be generated at buildout of all property in Improvement Area No. 2 based on the Expected Land Uses at the time the prepayment is calculated.

Step 3. Multiply the quotient calculated under Step 2 by the principal amount of the Outstanding Bonds to calculate the amount of Outstanding Bonds to be retired and prepaid (the “Bond Redemption Amount”).

Step 4. Calculate the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient calculated under Step 2 by the amount calculated under Step 4 to calculate the amount of Remaining Facilities Costs to be prepaid (the “Remaining Facilities Amount”).

Step 6. Multiply the Bond Redemption Amount calculated under Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “Redemption Premium”).

Step 7. Calculate the amount needed to pay interest on the Bond Redemption Amount starting with the last Bond interest-payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds. If Bonds are callable at or before the last Bond interest-payment date on which interest has been or will be paid by Special Taxes already levied, then Steps 7, 8, and 9 of this prepayment formula will not apply.

Step 8. Calculate the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest-payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9. Subtract the amount calculated under Step 8 from the amount calculated under Step 7 (the “Defeasance Requirement”).

Step 10. Calculate the Administrative Expenses associated with the prepayment, including the costs of determining the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

Step 11. If, when the prepayment is determined, the reserve fund is greater than or equal to the reserve requirement, then, to the extent so provided in the Indenture, calculate a proportionate reserve fund credit as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed with the prepayment (the “Proportionate Reserve Fund Credit”).

Step 12. The Prepayment Amount is equal to the sum of the amounts calculated under Steps 3, 5, 6, 9, and 10 minus the amount calculated under Step 11.
Step 13. From the Prepayment Amount, the amounts calculated under Steps 3, 6, and 9 will be deposited into the appropriate fund as established under the Indenture and will be used to retire Outstanding Bonds or make debt-service payments. The amount calculated under Step 5 will be deposited into the Construction Fund. The amount calculated under Step 10 will be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment has been received, a Notice of Cancellation of Special Tax Lien will be recorded against the affected Assessor’s Parcel, except that a Notice of Cancellation of Special Tax Lien will not be recorded until all Special Taxes levied on the affected Assessor’s Parcel in the current or prior Fiscal Years have been collected.

3. Partial Prepayment

The Special Tax on an Assessor’s Parcel for which a certificate of occupancy has not yet been issued or a final inspection has not been conducted may be partially prepaid (a “Partial Prepayment”). Only one Partial Prepayment is permitted for each legal parcel, and a Partial Prepayment will not be accepted for an Assessor’s Parcel after a certificate of occupancy has been issued or a final inspection completed for that Assessor’s Parcel.

The owner of an Assessor’s Parcel who desires to make a Partial Prepayment must notify the Administrator of the percentage of the Special Tax to be prepaid. The Administrator shall provide the owner with a statement of the amount required for the Partial Prepayment within 30 days after receiving the request and may charge a fee for providing this service. With respect to any Special Tax that is partially prepaid on an Assessor’s Parcel, the Administrator shall (a) distribute the remitted prepayment funds according to Section H.2 above and (b) indicate in the records of the CFD that there has been a Partial Prepayment of the Special Tax and that a portion of the Special Tax with respect to the Assessor’s Parcel, equal to the non-prepaid percentage of the Maximum Special Tax, will continue to be levied on the Assessor’s Parcel according to Section F.

Once a Partial Prepayment has been received, an Amendment to Special Tax Lien will be recorded against the affected Assessor’s Parcel. However, an Amendment to Special Tax Lien will not be recorded until all Special Taxes levied on the affected Assessor’s Parcel in the current or prior Fiscal Years have been collected.

4. Prepayment Restrictions

Optional Prepayment of the Special Tax in accordance with this Section H is not permitted if it would reduce debt service coverage below the Required Coverage.

I. RECORDS MAINTAINED FOR THE CFD

As development occurs in the CFD, the Administrator shall maintain a file containing records of the following information for each Assessor’s Parcel:
• The current Assessor’s Parcel Number
• The current Final Map status for the Assessor’s Parcel
• The current Building Permit status for the Assessor’s Parcel
• The designated and existing uses for the Assessor’s Parcel
• The total number of Residential Units assigned to the Assessor’s Parcel
• The Maximum Special Tax assigned to the Assessor’s Parcel
• Prepayments, including prepayments for Assessor’s Parcels that have fully or partially paid the Special Tax

J. INTERPRETATION OF SPECIAL TAX FORMULA

The City Council may, by resolution, interpret this RMA for purposes of clarifying any vagueness or ambiguity in the Special Tax rates, method of apportionment, classification of properties, and definitions applicable to the CFD. The City Council’s interpretation will be conclusive. The Administrator may do the following without the City Council’s approval:

1. Interpret this RMA for purposes of clarifying matters as they relate to the Special Tax rate, the method of apportionment, the classification of properties, or the definitions applicable to the CFD.

2. Make minor, non-substantive administrative and technical changes to this RMA for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law, but only if the changes do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax.

In addition, the City, upon request of an owner of land that is not Developed Property, may amend this RMA to reallocate the Special Tax applicable to such owner’s land in a manner acceptable to the City, without resolution or ordinance of the City Council, upon the affirmative vote of such owner and without the vote of owners of any other land within the CFD, provided such amendment: (i) only affects the owner’s land, (ii) does not reduce the Expected Maximum Special Tax Revenues, and (iii) provides for a Special Tax distribution upon development of such land which is reasonably proportional and consistent with Special Tax rates provided for in Section C (including escalations thereto) for similar land uses and is compliant with the tax assessment loan exception contained in U.S. Treasury Regulation Section 1.141-5(d), as determined by the City.

K. APPEALS

A taxpayer who believes that the amount of the Special Tax assigned to the taxpayer’s Assessor’s Parcel is in error may file a notice with the Administrator, who will then promptly review the appeal and, if necessary, meet with the taxpayer. If the Administrator determines that the Special Tax should be modified, then the Special Tax levy will be corrected and, if applicable, a credit or refund will be granted.
## ATTACHMENT 1

**IMPROVEMENT AREA NO. 2 OF THE CITY OF SACRAMENTO**

**GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)**

### EXPECTED LAND USES AND EXPECTED MAXIMUM SPECIAL TAX REVENUES

<table>
<thead>
<tr>
<th>Village</th>
<th>Expected Land Uses</th>
<th>Base Special Tax FY 2018-19 /1</th>
<th>Expected Maximum Special Tax Revenues FY 2018-19 /1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village 14</td>
<td>111 Residential Units</td>
<td>$1,465 per Residential Unit</td>
<td>$162,615</td>
</tr>
<tr>
<td>Village 15</td>
<td>81 Residential Units</td>
<td>$1,465 per Residential Unit</td>
<td>$118,665</td>
</tr>
<tr>
<td>Village 16</td>
<td>11 Residential Units</td>
<td>$1,884 per Residential Unit</td>
<td>$20,724</td>
</tr>
<tr>
<td>Village 17A</td>
<td>68 Residential Units</td>
<td>$1,698 per Residential Unit</td>
<td>$115,464</td>
</tr>
<tr>
<td>Village 17B</td>
<td>61 Residential Units</td>
<td>$1,698 per Residential Unit</td>
<td>$103,578</td>
</tr>
<tr>
<td>Village 18</td>
<td>54 Residential Units</td>
<td>$1,884 per Residential Unit</td>
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<tr>
<td>Village 19</td>
<td>26 Residential Units</td>
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<td>$55,250</td>
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<tr>
<td>Village 20</td>
<td>85 Residential Units</td>
<td>$1,884 per Residential Unit</td>
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<tr>
<td>Village 21</td>
<td>53 Residential Units</td>
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<td>Village 22</td>
<td>59 Residential Units</td>
<td>$2,125 per Residential Unit</td>
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<td>Village 23</td>
<td>44 Residential Units</td>
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<td>Village 24A</td>
<td>60 Residential Units</td>
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<tr>
<td>Village 24B</td>
<td>50 Residential Units</td>
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</tr>
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<td>Village 25A</td>
<td>54 Residential Units</td>
<td>$2,050 per Residential Unit</td>
<td>$110,700</td>
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<tr>
<td>Village 25B</td>
<td>31 Residential Units</td>
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</tr>
<tr>
<td>Village 26A</td>
<td>34 Residential Units</td>
<td>$2,050 per Residential Unit</td>
<td>$69,700</td>
</tr>
<tr>
<td>Village 26B</td>
<td>44 Residential Units</td>
<td>$2,050 per Residential Unit</td>
<td>$90,200</td>
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<tr>
<td>Village 27A</td>
<td>59 Residential Units</td>
<td>$2,452 per Residential Unit</td>
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</tr>
<tr>
<td>Village 27B</td>
<td>49 Residential Units</td>
<td>$2,452 per Residential Unit</td>
<td>$120,148</td>
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</tbody>
</table>

**Total 1,034 Residential Units**

* N/A

* /1 On July 1, 2019 and each July 1 thereafter, the Base Special Taxes and the Expected Maximum Special Tax Revenues shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.
ATTACHMENT 2

IMPROVEMENT AREA NO. 2 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

IDENTIFICATION OF VILLAGES
ATTACHMENT 3

IMPROVEMENT AREA NO. 2 OF THE
CITY OF SACRAMENTO
GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03
(IMPROVEMENTS)

IDENTIFICATION OF ANTICIPATED PARK/SCHOOL SITE PROPERTY
RESOLUTION NO. 2018-XXXX

Adopted by the Sacramento City Council

__________, 2018

RESOLUTION OF INTENTION TO INCUR BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF PUBLIC FACILITIES AND TO FINANCE GOVERNMENTAL FEES FOR PUBLIC FACILITIES IN AND FOR EACH IMPROVEMENT AREA WITHIN THE CITY OF SACRAMENTO GREENBRIAR COMMUNITY FACILITIES DISTRICT NO. 2018-03 (IMPROVEMENTS)

BACKGROUND

The City Council duly adopted Resolution No. 2018-____ (the “Resolution of Intention”) on this date, thereby 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 the “City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” (the “CFD”); to designate within the CFD two improvement areas, proposed to be known as “Improvement Area No. 1 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” (“IA-1”) and “Improvement Area No. 2 of the City of Sacramento Greenbriar Community Facilities District No. 2018-03 (Improvements)” (“IA-2”); and to levy a special tax within IA-1 and IA-2 to finance the acquisition and construction of certain public facilities (the “Facilities”) and to finance certain governmental fees for public facilities (the “Fees”), all as set out in the Resolution of Intention.

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 City Council hereby declares that the public convenience and necessity require the incurring of bonded indebtedness to finance the acquisition and construction of the Facilities and to finance the Fees. The cost of financing the acquisition and construction of the Facilities and financing the Fees includes the following incidental expenses:

(a) The costs of planning and designing the Facilities and the public facilities to be financed with the Fees, together with the costs of related environmental evaluations.

(b) All costs associated with (1) establishing the CFD and designating IA-1 and IA-2; (2) the issuance of bonds and incurrence of other debt (as defined in the Act and, together with any bonded indebtedness, “Debt”); (3) the determination of the amount of any
special taxes; and (4) the collection or payment of any special
taxes.

(c) Any costs otherwise incurred to carry out the authorized purposes
of the CFD, together with any other expenses incidental to the
acquisition and construction of the Facilities or the public facilities to
be financed with the Fees, or the payment of the Fees.

Section 3. The aggregate amount of the proposed Debt to be incurred to finance the
acquisition and construction of the Facilities and to finance the Fees for
IA-1 may not exceed $55 million and for IA-2 may not exceed $50 million,
which amount, in each case, 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 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 Debt 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 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. The City Council hereby fixes Tuesday, November 27, 2018, at 5:00 p.m.,
as the time for a public hearing to be held by the City Council to consider
the incurring of Debt to finance the acquisition and construction of the
Facilities and to finance the Fees. The public hearing will be held in the
City 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 and
each improvement area, 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 and construction of the Facilities and to finance the Fees and
to be secured by a special tax to be levied within each improvement area.

Section 5. The City Clerk shall give notice of the time and place of the public hearing
in the following manner:

(a) 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 to be
complete at least seven days before the date set for the public
hearing); and
(b) by mailing, first-class postage prepaid, to each owner of land and to each registered voter residing within the CFD (to property owners at their addresses as shown on the last equalized assessment roll and to registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters, or in either case as otherwise known to the City Clerk) a Notice of Public Hearing in the form required by the Act, the mailing to be complete at least 15 days before the date set for the public hearing.

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

Section 7. This resolution shall in no way obligate the City Council to form the CFD or to issue Debt for the CFD or either improvement area. Issuance of Debt shall be subject to the approval of this City Council by resolution following the holding of the public hearing referred to above.

Section 8. This resolution takes effect when adopted.
RESOLUTION NO.
Adopted by the Sacramento City Council

Resolution of Intention to Establish the
Sacramento Services Community Facilities District No. 2018-05
to Levy a Special Tax Therein for to Fund Maintenance Services

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 fund the maintenance and operation and related services to be provided within the district under the Mello-Roos Community Facilities Act of 1982, set forth at Government Code sections 53311 through 53368.3 (the “Act”) and Chapter 3.124 of Sacramento City Code (Chapter 3.124).

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 background statements A through C are true and correct.

Section 2. The Council hereby proposes, to establish a community facilities district under Chapter 3.124 and the Act, to be known and designated as “Sacramento Services Community Facilities District No. 2018-05, 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 Services Community Facilities District No. 2018-05, 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 CFD is being formed solely to fund the maintenance of roadway facilities, transit facilities, parks, bikeway and pedestrian paths, storm water drainage facilities, landscape areas, and any other services authorized under the Act and the City’s charter. The CFD will not finance capital improvements or issue bonds. The services provided by the CFD are set forth in Exhibit B to this resolution, all of which are as authorized by the Act and by Chapter 3.124. The services to be provided are additional services that do not supplant services already available within the boundaries of the CFD. The CFD will also fund all costs and expenses normally incidental to the provision of operation and maintenance services, including but not limited to those for elections, engineering, contract supervision, planning, legal services, and City administration.

Section 5. Except where funds are otherwise available, a special tax sufficient to pay for the operation, maintenance and related services, secured by recordation of a continuing lien against all nonexempt real property in the CFD, will be levied annually within the CFD. The tax is to be collected as a separately stated item on the county property-tax bill, but the Council may change the method of collection at any time. The special tax is to be apportioned according to land-use classes at the annual tax rate specified in Exhibit C to this resolution, the Rate and Method of Apportionment of Special Tax (the “RMA”). The rates shown in Exhibit C are the maximum rates. The rates may be increased for inflation under Chapter 3.124, as specified in Exhibit C. If tax collections at the stated rate exceed the amount required to pay the Special Tax Requirement (as defined in Exhibit C), then the rates may be reduced in accordance with the formula set forth in Exhibit C.

Section 6. 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 non-exempt real property in the CFD, and this lien will continue in force and effect until the special-tax obligation is cancelled in accordance with law, or until levy of the special tax by the City ceases.
Section 7. 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 8. 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 XIII B of the California Constitution, for fiscal year 2018/19 for the CFD in the amount of $4 million.

Section 9. Notice is given that Tuesday, November 27, 2018, at 5:00 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 types of services to be provided; the establishment of the appropriations limit; and any other matters set forth in this resolution.

Section 10. 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 11. 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 services or the special tax or the other proposals contained in this resolution, then only those matters need be excluded from the proceedings.

Section 12. 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 13. The Council may at the public hearing modify this resolution by eliminating any of the services, 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 14. 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 property owners voting in accordance with the Act, with each voter having one vote per acre, or portion of acre, owned within the proposed boundaries.

Section 15. 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 services that, in her opinion, will be required to adequately meet the needs of the CFD, together with estimates of the cost of financing the services provided by the CFD 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 16. 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 funded under the Act.

Section 17. The Clerk shall give notice of the time and place of the public hearing in the following manner:

(a) 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 to be complete at least seven days before the date set for the public hearing); and

(b) by mailing, first-class postage prepaid, to each owner of land and to each registered voter residing within the CFD (to property owners at their addresses as shown on the last equalized assessment roll and to registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters, or in either case as otherwise known to the Clerk) a Notice of Public Hearing in the form required by the Act, the mailing to be complete at least 15 days before the date set for the public hearing.

Section 18. Exhibits A, B, and C are a part of this resolution.

Section 19. This resolution takes effect when adopted.

Table of Contents:
Exhibit A – Boundary Map
Exhibit B – List of Authorized Services
Exhibit C – Rate and Method of Apportionment of Special Tax
EXHIBIT B

CITY OF SACRAMENTO
SACRAMENTO SERVICES
COMMUNITY FACILITIES DISTRICT NO. 2018-05

LIST OF AUTHORIZED SERVICES

The authorized services to be financed with the Special Tax are set forth below. The Special Tax may be levied to pay for any authorized services and to accumulate funds for that purpose. The primary function of the Sacramento Services CFD No. 2018-05 is to fund any of the services authorized under the Mello-Roos Community Facilities Act of 1982 and authorized under the charter of the City of Sacramento. Such services may include, but are not limited to, the maintenance of roadway facilities, transit facilities, parks, bikeway and pedestrian paths, storm water drainage facilities and/or landscape areas. Funds may be used within the territory of the Sacramento Services CFD No. 2018-05.

The authorized services for the Sacramento Services CFD No. 2018-05 consist of the following:

1. The repair and maintenance of roadway facilities, transit facilities, bikeway and pedestrian paths, parks, and landscaped areas, including but not limited to hardscape, special paving features, ramps, sidewalks, walkways, irrigation facilities, water & hose bibbs, plantings, weed removal, lighting, sound walls, ornamental and chain link fences, monuments, signage, bollards, fans, coil gates, security cameras and system monitoring, water-quality facilities, storm-water drainage facilities, water fountains and other water features, and other appurtenances within and along public rights-of-way.

2. Scheduled inspection of maintenance of roadway facilities, water-quality facilities, storm-water drainage facilities, transit facilities, bikeway and pedestrian paths, parks, and landscaped areas.

3. Paying utility bills associated with maintenance of roadway facilities, transit facilities, water-quality facilities, storm-water drainage facilities, parks, bikeway and pedestrian paths, and landscaped areas.

4. Costs of levying and collecting the Special Tax and annually administering the Sacramento Services CFD No. 2018-05.

5. Miscellaneous costs related to any of the items described above, including costs of planning, engineering, legal services, and administration.

6. Any other services authorized under the Mello-Roos Community Facilities Act of 1982 and authorized under the charter of the City of Sacramento.
A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 and applicable to each Assessor’s Parcel in the Sacramento Services Community Facilities District No. 2018-05 of the City of Sacramento will be levied and collected according to the tax liability the City determines through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by Section G below, will be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate rate and method of apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

“**Acre**” means 43,560 square feet of land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map or, if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other map recorded at the County Recorder’s Office.


“**Administrative Expenses**” means the actual or reasonably estimated costs related to administration of the CFD, including but not limited to the following:

- Costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or its designee or both).
- Costs of collecting, auditing, dispersing, and accounting for the Special Tax (whether by the County, the City, or otherwise).
- Costs incurred in responding to public inquiries regarding the Special Tax.
- Costs to the City or its designee related to any appeal of the Special Tax.
- Amounts estimated to be advanced for any other administrative purposes, including but not limited to attorney’s fees and other costs related to collection of the Special Tax.
- Costs associated with annexations into the CFD.
- All other costs and expenses of the City and County in any way related to the administration of the CFD.
“Administrator” means the City’s Special Districts Manager, his/her designee, or such other person or department as the City may designate to serve as Administrator of the CFD.

“Affordable Unit” means a Residential Unit that is subject to deed restrictions, resale restrictions, or regulatory agreements recorded on the property that provide housing for persons that meet Low-, Very Low-, or Extremely Low-Income levels pursuant to the California Health and Safety Code Sections 50079.5, 50105, or 50106. The Residential Unit shall no longer be considered an Affordable Unit following termination of the agreement containing covenants or similar instruments.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel Number that constitutes vertical space of the underlying land.

“Assessor’s Parcel” means a lot or parcel (including an Airspace Parcel) that is shown on an Assessor’s Parcel Map and has an assigned Assessor’s Parcel Number.

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

“Assessor’s Parcel Number” means the number assigned to an Assessor’s Parcel by the County Assessor for purposes of identification.

“Authorized Services” means the public services authorized to be funded through the CFD.

“Building Permit” means a single permit or set of permits required to construct a residential or non-residential structure. If a permit is issued for a foundation, parking, landscaping, or other similar facility or amenity but a building permit has not yet been issued for the structure to be served by the facility or amenity, then the permit for the facility or amenity will not be considered a “Building Permit” for purposes of levying the Special Tax.

“CFD” means the Sacramento Services Community Facilities District No. 2018-05 of the City of Sacramento.

“CFD Formation” means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

“City” means the City of Sacramento, California.

“City Council” means the Sacramento City Council.

“Condominium Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property for which a Building Permit was issued for construction of a residential structure that meets the statutory definition of a condominium contained in Civil Code Section 1351, as determined by the City.

“County” means the County of Sacramento, California.
“Developed Property” means, in any Fiscal Year, all Taxable Property for which a Building Permit was issued before June 1 of the preceding Fiscal Year.

“Development Class” means, individually, Developed Property, Final Map Property, and Undeveloped Property.

“Escalation Factor” means, in any Fiscal Year, the lesser of: (i) the percentage increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose region (base years 1982-1984=100) (prior calendar year annual average) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index no longer is published, a similar escalator that is determined by the City to be appropriate, and (ii) 4%.

“Exempt Property” means any of the following:

- Public Property.
- Owners Association Property.
- Assessor’s Parcels that are owned by a public utility and developed with an unoccupied facility.
- Assessor’s Parcels that are subject to a conservation, open space, recreation, or similar easement that precludes any use other than the use set forth in the easement, as determined by the City.
- Affordable Units.

“Final Map” means a final map or portion of a final map, approved by the City under the Subdivision Map Act (California Government Code § 66410 et seq.), that creates lots that do not need to be further subdivided prior to issuance of a Building Permit for a residential structure, as determined by the City. “Final Map” does not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map, or any portion of such a map, that does not create lots that are in their final configuration.

“Final Map Property” means, in any Fiscal Year, all Assessor’s Parcels of Taxable Property for which a Final Map has recorded and which have not yet become Developed Property.

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


“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.
“**Multi-Family Residential Property**” means all parcels of Developed Property for which Building Permits were issued for construction of a residential structure with three or more residential units that are offered for rent to the general public and cannot be purchased by individual homebuyers.

“**Non-Residential Property**” means all parcels of Developed Property for which Building Permits were issued for construction of an office, commercial, retail, industrial or mixed-use building, as determined by the City.

“**Non-Residential Square Foot**” means an individual square foot unit of the Non-Residential Square Footage of a structure.

“**Non-Residential Square Footage**” means the following:

- For buildings that do not include Residential Units, the gross square footage of the building as reflected on the Building Permit or, if the gross square footage is not specified on the Building Permit, as otherwise determined by the City.

- For buildings that include both Residential Units and non-residential land uses, the net saleable or net leasable square footage that is used or expected to be used for commercial, industrial, office, or other non-residential land uses, as determined by the Administrator.

“**Other Residential Property**” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property that are in a residential use but do not meet the definition of Single Family Detached Property, Single Family Attached Property, Condominium Property, or Multi-Family Residential Property, as determined by the Administrator.

“**Owners Association**” means any homeowners or property owners association (including any master or sub-association) that provides services to, and collects dues, fees, or charges from, owners of property within the CFD.

“**Owners Association Property**” means any property owned in fee or as an easement by an Owners Association, not including any such property that is located directly under a residential structure.

“**Proportionately**” means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class.

“**Public Property**” means any property within the CFD that is owned by the City, the County, the State of California, the federal government, or other public agency, except that any property leased by a public agency to a private entity and subject to taxation under § 53340.1 of the Act will be taxed and classified in accordance with its use. Privately owned property will be considered Public Property if its development is otherwise constrained by public use and necessity through an easement, a lease, or a license.
“Residential Unit” means an individual single-family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure. A secondary / accessory dwelling unit (granny flat) that shares an Assessor’s Parcel with a single-family-detached unit is not a Residential Unit for purposes of levying the Special Tax.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a Building Permit has been or is permitted to be issued for construction of a Residential Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to a Tentative Map.

“Single Family Detached Property” means, in any Fiscal Year, all Assessor’s Parcels for which a Building Permit was issued for construction of a Residential Unit that does not share a common wall with another Residential Unit.

“Single Family Attached Property” means, in any Fiscal Year, all Assessor’s Parcels of Developed Property for which a Building Permit was issued for construction of a residential structure consisting of two or more Residential Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor’s Parcel with another duplex unit), and are offered as for-sale units (which shall still be the case even if the Residential Units are purchased and subsequently offered for rent by the owner), not including residential structures that are Condominium Property.

“Special Tax” means a Special Tax levied in any Fiscal Year to pay the Tax Zone Special Tax Requirement.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. All of the property within the CFD at CFD Formation is within Tax Zone 1. Property may be annexed into Tax Zone 1, and additional Tax Zones may be created when property is annexed into the CFD. Separate Maximum Special Taxes may be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such parcels are annexed to the CFD shall be identified by Assessor’s Parcel Number in the Unanimous Approval Form that is signed by the owner(s) of the parcels at the time of annexation.

“Tax Zone 1” means the property included in the CFD at CFD Formation and any property that is part of the same development project that is subsequently annexed into Tax Zone 1.

“Tax Zone Budget” means, in any Fiscal Year, the City’s estimate of costs for Authorized Services within a particular Tax Zone for that Fiscal Year, net of any surplus amounts available (as determined by the City) from the levy of the Special Tax in the Tax Zone in prior Fiscal Years, including revenues from collection of delinquent Special Taxes and associated penalties and interest.
“**Tax Zone Special Tax Requirement**” means the amount of revenue needed from a particular Tax Zone in any Fiscal Year to pay: (i) the Tax Zone Budget for that Tax Zone, (ii) Administrative Expenses associated with the Tax Zone, which may include a proportional share of Administrative Expenses incurred by the City associated with general administration of the CFD, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred in the Tax Zone in the prior Fiscal Year.

“**Taxable Property**” means all property within the CFD that is not exempt from the Special Tax pursuant to law or Section G below.

“**Tentative Map**” means a map that is: (i) made for the purpose of showing the design of a proposed subdivision, including the individual SFD Lots that are expected within the subdivision, as well as the conditions pertaining thereto, (ii) not based on a detailed survey of the property within the map, and (iii) not recorded at the County Recorder’s Office to create legal lots.

“**Unanimous Approval Form**” means that form executed by the record owner of fee title to one or more Assessor’s Parcels annexed into the CFD that constitutes a property owner’s approval and unanimous vote in favor of annexing into the CFD and the levy of the Special Tax against his/her Assessor’s Parcel(s) pursuant to this RMA.

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

**B. DATA FOR ADMINISTRATION OF SPECIAL TAX**

On or about July 1 of each Fiscal Year, the Administrator shall identify the Tax Zone Special Tax Requirement for each Tax Zone for the Fiscal Year. The Administrator shall also determine the following for each Assessor’s Parcel: (1) the current Assessor’s Parcel Number; (2) the Tax Zone within which each Assessor’s Parcel is located, (3) whether it is Developed Property, Final Map Property, or Undeveloped Property; (4) for Single Family Attached Property, Condominium Property, and Multi-Family Residential Property, the number of Residential Units on the Assessor’s Parcel, and (5) for Non-Residential Property, the Non-Residential Square Footage of each building on the Assessor’s Parcel.

In any Fiscal Year, if the Administrator determines—

- that a Final Map or other map for an Assessor’s Parcel within the CFD was recorded after April 30 of the prior Fiscal Year (or on any other date after which the County Assessor will not incorporate the newly created parcels into the then-current tax roll);

- that because of the date the map was recorded, the County Assessor does not yet recognize the new parcels created by the map; and
• that one or more of the newly created parcels is in a different Development Class from other parcels created by the map,

then the Administrator shall calculate the Special Tax for the property affected by recordation of the map by determining the Special Tax that applies separately to the property within each Development Class and then applying the sum of the individual Special Taxes to the Assessor’s Parcel that was subdivided by recordation of the map.

C. **MAXIMUM SPECIAL TAX**

1. **Developed Property**

Table 1 below identifies the Maximum Special Tax for Developed Property within Tax Zone 1. For property that annexes into the CFD, different maximum rates for Developed Property may be established by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Tax for Developed Property applicable to that Tax Zone.

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Maximum Special Tax (Fiscal Year 2018-19)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Detached Property</td>
<td>$587 per Residential Unit</td>
</tr>
<tr>
<td>Single Family Attached Property</td>
<td>$587 per Residential Unit</td>
</tr>
<tr>
<td>Condominium Property</td>
<td>$587 per Residential Unit</td>
</tr>
<tr>
<td>Multi-Family Residential Property</td>
<td>$329 per Residential Unit</td>
</tr>
<tr>
<td>Non-Residential Property</td>
<td>$0.41 per Non-Residential Square Foot</td>
</tr>
<tr>
<td>Other Residential Property</td>
<td>$6,184 per Acre</td>
</tr>
</tbody>
</table>

*On July 1, 2019, and on each July 1 thereafter, the Maximum Special Taxes shown above will be increased by the Escalation Factor.*

If, in any Fiscal Year, the Administrator determines that an Assessor’s Parcel of Developed Property is built or proposed to be built with both Residential Units and non-residential land uses, the Maximum Special Tax for the Assessor’s Parcel shall be determined as follows:

**Step 1.** Calculate the aggregate Maximum Special Tax that can be levied on all Residential Units in the building.

**Step 2.** Calculate the aggregate Maximum Special Tax that can be levied on all Non-Residential Square Footage in the building.
Step 3. The Maximum Special Tax for the Assessor’s Parcel shall be the sum of the amount calculated in Step 1 for residential property and the amount determined in Step 2 for Non-Residential Property.

2. Final Map Property

The Fiscal Year 2018-19 Maximum Special Tax for Final Map Property in Tax Zone 1 is $6,184 per Acre, which amount shall increase on July 1, 2019 and each July 1 thereafter by the Escalation Factor. For property that annexes into the CFD, different maximum rates may be established for Final Map Property by creating a separate Tax Zone for such annexed property. Alternatively, property may be annexed into Tax Zones that were established prior to the annexation, and such property shall be subject to the Maximum Special Tax for Final Map Property applicable to that Tax Zone.

3. Undeveloped Property in Tax Zone 1

For Assessor’s Parcels of Undeveloped Property in Tax Zone 1, the Maximum Special Tax is $6,184 per Acre for Fiscal Year 2018-19, which amount shall increase on July 1, 2019 and each July 1 thereafter by the Escalation Factor. For property that annexes into the CFD, a different maximum special tax may be established for Undeveloped Property by creating a separate Tax Zone for such annexed property. Alternatively, property annexed into Tax Zones that were established prior to the annexation shall be subject to the Maximum Special Tax for Undeveloped Property that is applicable to that Tax Zone.

D. Changes to Maximum Special Tax

1. Annual Escalation

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Taxes set forth in Section C above, and the Maximum Special Tax assigned to each Assessor’s Parcel shall be increased by the Escalation Factor.

2. Land Use Changes

If an Assessor’s Parcel in the CFD is rezoned or otherwise changes land use prior to becoming Developed Property, the City may, in its sole discretion, move the Assessor’s Parcel to a different Tax Zone based on the maintenance and services needed to serve the Assessor’s Parcel after the change in land use. If an Assessor’s Parcel rezones after being taxed as Developed Property in prior Fiscal Years, the City can either continue to apply the Maximum Special Tax that applied prior to the land use change or, in the City’s sole discretion, move the parcel to a different Tax Zone.
3. **Conversion of an Assessor’s Parcel of Public Property to Private Use**

If, in any Fiscal Year, an Assessor’s Parcel of Public Property is converted to private use, such Assessor’s Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Assessor’s Parcel shall be determined based on the Tax Zone in which the Assessor’s Parcel is located and the land use on or expected on the Assessor’s Parcel, as determined by the Administrator.

**E. Method of Levy of Special Tax**

Each Fiscal Year, the Administrator shall determine the Tax Zone Special Tax Requirement to be collected in that Fiscal Year from each Tax Zone; the City shall then levy the Special Tax according to the following steps:

**Step 1.** The Special Tax will be levied Proportionately on Developed Property within a particular Tax Zone up to 100% of the Maximum Special Tax for each Assessor’s Parcel in that Tax Zone until the amount levied is equal to the Tax Zone Special Tax Requirement.

**Step 2.** If additional revenue is needed after Step 1 to meet the Tax Zone Special Tax Requirement, the Special Tax will be levied Proportionately on Final Map Property in that Tax Zone up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Final Map Property in the Tax Zone.

**Step 3.** If additional revenue is needed after Step 2 to meet the Tax Zone Special Tax Requirement, the Special Tax will be levied Proportionately on Undeveloped Property up to 100% of the Maximum Special Tax for each Assessor’s Parcel of Undeveloped Property in the Tax Zone.

**F. Manner of Collection of Special Tax**

The Special Tax will be collected in the same manner and at the same time as ordinary ad valorem property taxes, except that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax will be levied and collected in perpetuity.

**G. Exemptions**

Notwithstanding any other provision of this RMA, the Special Tax will not be levied in any Fiscal Year on Exempt Property.
H. RECORDS MAINTAINED FOR THE CFD

As development occurs in the CFD, the Administrator shall maintain a file containing records of the following information for each Assessor’s Parcel:

- The current Assessor’s Parcel Number
- The current Final Map status for the Assessor’s Parcel
- The current Building Permit status for the Assessor’s Parcel
- The designated and existing uses for the Assessor’s Parcel
- The total number of Residential Units assigned to the Assessor’s Parcel
- The Maximum Special Tax assigned to the Assessor’s Parcel

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City Council may, by resolution, interpret this RMA for purposes of clarifying any vagueness or ambiguity in the Special Tax rates, method of apportionment, classification of properties, and definitions applicable to the CFD. The City Council’s interpretation will be conclusive. In addition, the City, upon request of an owner of land that is not Developed Property, may amend this RMA to reallocate the Special Tax applicable to such owner’s land in a manner acceptable to the City, without resolution or ordinance of the City Council, upon the affirmative vote of such owner and without the vote of owners of any other land within the CFD, provided such amendment: (i) only affects such owner’s land, and (ii) provides for a Special Tax distribution upon development of such land which is reasonably proportional and consistent with Special Tax rates provided for in Section C (including escalations thereto) for similar land uses and is compliant with the tax assessment loan exception contained in U.S. Treasury Regulation Section 1.141-5(d), as determined by the City.

J. APPEALS

A taxpayer who believes that the amount of the Special Tax assigned to the taxpayer’s Assessor’s Parcel is in error may file a notice with the Administrator, who will then promptly review the appeal and, if necessary, meet with the taxpayer. If the Administrator determines that the Special Tax should be modified, then the Special Tax levy will be corrected and, if applicable, a credit or refund will be granted. The Administrator may do the following without the City Council’s approval:

1. Interpret this RMA for purposes of clarifying matters as they relate to the Special Tax rate, the method of apportionment, the classification of properties, or the definitions applicable to the CFD.

2. Make minor, non-substantive administrative and technical changes to this RMA for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law, but only if the changes do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax.