

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA  
INTENTION TO ESTABLISH COMMUNITY FACILITIES DISTRICT  
AND FUTURE ANNEXATION AREA: CITY OF SANTA CLARA  
COMMUNITY FACILITIES DISTRICT 2019-1 (LAWRENCE  
STATION)**

**BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:**

**WHEREAS**, under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the “Act”), the City Council (the “Council”) of the City of Santa Clara (the “City”) is authorized to establish a community facilities district and to act as its legislative body;

**WHEREAS**, this City Council, having received a petition from the owners of not less than 10% of the area of land proposed to be included in the proposed community facilities district, now desires to proceed with the establishment of a community facilities district in order to finance costs of certain public services necessary or incidental to development within the proposed boundaries of the proposed community facilities district; and

**WHEREAS**, under Section 53339.2 of the Act, the Council further desires and hereby determines that it is in the public convenience and necessity to undertake proceedings to provide for future annexation of territory to the proposed community facilities district.

**NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:**

1. Authority. This Council proposes to conduct proceedings to establish a community facilities district and future annexation area pursuant to the Act.
2. Name of CFD; Name of Future Annexation Area. The name proposed for the community facilities district is “City of Santa Clara Community Facilities District No. 2019-1 Lawrence Station)” (the “CFD”).

The name proposed for the territory proposed to be annexed into the CFD in the future is “City of Santa Clara Community Facilities District No. 2019-1 (Lawrence Station) (Future

Annexation Area)” (the “Future Annexation Area”).

3. Boundaries Described. The proposed boundaries of the CFD and the Future Annexation Area are as shown on the map on file with the City Clerk. Those boundaries are hereby preliminarily approved and reference is hereby made to the boundary map for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the CFD and the Future Annexation Area in the office of the Santa Clara County Recorder within 15 days after the date of adoption of this Resolution, but in any event no later than 15 days prior to the public hearing date specified below.

Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a “Unanimous Approval”) of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.

4. Services. The type of services (the “Services”) proposed to be financed by the CFD and the Future Annexation Area pursuant to the Act shall consist of those listed in Exhibit A hereto and hereby incorporated herein. The City intends to provide the Services on an equal basis in the original territory of the CFD and, when it has been annexed to the CFD, the Future Annexation Area.

This Council hereby finds and determines that the public interest will not be served by allowing the property owners in the CFD and the Future Annexation Area to enter into a contract in accordance with Section 53329.5(a) of the Act.

5. Special Tax. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the “Special Tax”) sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee may determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the

Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto and hereby incorporated herein (the “Rate and Method”). This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

As required by Section 53339.3(d) of the Act, the Council hereby determines that the special tax proposed to pay for Services to be supplied within the Future Annexation Area shall be equal to any special tax levied to pay for the same Services in the existing CFD, except that a higher or lower tax may be levied within the Future Annexation Area to the extent that the actual cost of providing the Services in the Future Annexation Area is higher or lower than the cost of providing those Services in the existing CFD. In so finding, the Council does not intend to limit its ability to levy a special tax within the Future Annexation Area to provide new or additional services beyond those supplied within the existing CFD.

6. Exempt Property. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California, the County and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the Services and the CFD. If a portion of the property within the CFD becomes exempt for any reason, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD that is not exempt in order to yield the annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax and the Act regarding limitations on maximum annual Special Tax rates and annual increases in the annual Special Tax levy.

7. Election and Unanimous Approval. The levy of the Special Tax shall be subject to the

approval of the qualified electors within the CFD at a special election. The proposed voting procedure shall be by approval of the qualified landowner voters within the proposed CFD at a special election.

A special tax shall be levied in the Future Annexation Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.

8. CFD Report. The City Manager (or deputy or designee thereof) is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing (the "CFD Report"), which shall be a part of the record of the public hearing hereinafter specified and which shall present the following:

A. A description of the Services that will be required to adequately meet the needs of the CFD.

B. An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith, and all other related costs.

9. Public Hearing. Tuesday, April 9, 2019, at 7:00 p.m. or as soon as possible thereafter, in the City Council Chambers, 1500 Warburton Avenue, Santa Clara, California, are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and the Future Annexation Area, and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the Future Annexation Area and the levy of the Special Tax.

10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD and the Future Annexation Area. The publication shall be completed at least 7 days before the date of the public hearing specified above.

The notice of the public hearing shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

11. Appointment of Legal Counsel and Special Tax Consultant. The Council hereby ratifies the appointment of (i) Jones Hall, A Professional Law Corporation, as legal counsel to the City in connection with formation of the CFD and the Future Annexation Area, and (ii) Goodwin Consulting, Inc., as special tax consultant to the City in connection with formation of the CFD and the Future Annexation Area. The City Manager is hereby authorized to execute a services agreement with each of these firms in substantially the form and substance of the agreement on file with the City Clerk.

12. Effective Date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2019, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:
NOES:	COUNCILORS:
ABSENT:	COUNCILORS:
ABSTAINED:	COUNCILORS:

ATTEST: \_\_\_\_\_  
NORA PIMENTEL, MMC  
ASSISTANT CITY CLERK  
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Exhibit A: Proposed Description of Services to be Financed by the CFD
2. Exhibit B: Rate and Method of Apportionment of Special Tax

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## **EXHIBIT A**

### **PROPOSED DESCRIPTION OF SERVICES TO BE FINANCED BY THE CFD**

#### **City of Santa Clara Community Facilities District 2019-1 (Lawrence Station)**

##### Lane Mile of Roadways

Maintenance, including public space improvements such as signages, street trees, decorative lighting fixtures, and other public space enhancements. Other maintenance items include servicing, repair, replacement, and removal of roadways and sidewalks, cleaning and removal of graffiti, and associated electric, water, and other utility costs.

##### Parks

Maintenance, including servicing, repair, replacement, and removal of neighborhood parks (includes park amenities such as park community centers, playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.). Maintenance also includes technological enhancements, cleaning and removal of graffiti, and associated electric, water, and other utility costs.

##### Parking Spaces and Parking Enforcement

Maintenance, including servicing, repair, replacement, and removal of parking spaces (includes poles, fixtures, bulbs, conduits, equipment, including guys, anchors, posts, pedestals and metering devices, etc.). Maintenance also includes technological enhancements, cleaning and removal of graffiti, and associated electric, water, and other utility costs.

Additional services to be provided include the employment of a Community Services Officer, including all salaries and benefits, and including the cost and maintenance of related equipment and vehicle.

##### Landscaped Parkways and Medians

Maintenance, including servicing, repair, replacement, and removal of parkways, landscape setbacks, and landscaped roadway medians (including all signage, turf, ground cover, shrubs, trees, plants, irrigation and drainage systems, ornamental lighting structures, electricity, repair/replacement & inspection, and associated appurtenant facilities located within the streetscape). Maintenance includes cleaning and removal of graffiti, and associated electric, water, and other utility costs.

##### Trails

Maintenance, including servicing, repair, replacement, and removal of all facilities associated with the trails (includes amenities such as trees, plant material, sod, irrigation systems, sidewalks, drainage facilities, weed control and other abatements, signs, associated appurtenant facilities., etc.).

### Highway Overpass

Maintenance, including servicing, repair, replacement, and removal of all facilities associated with the Highway Overpass between Westlake and SummerHill (includes vertical curbs, median, recovery areas, shoulders, concrete, bridge supports, etc.). Maintenance also includes cleaning and removal of graffiti, and associated electric, water, and other utility costs.

### Community Clubhouse and Garden

Maintenance, including servicing, repair, replacement, and removal of all facilities associated with the Community Clubhouse and Garden (includes amenities such as lighting, drinking fountains, restrooms, exercise facilities, shrubs, trees, plants, irrigation and drainage systems, ornamental lighting structures, electricity, repair/replacement & inspection, and associated appurtenant facilities, etc.). Maintenance also includes cleaning and removal of graffiti, and associated electric, water, and other utility costs.

### Maintenance & Operating Reserve

Operating expenses, including the costs incurred to operate and service the facilities of the CFD, as well as removal and replacement of the facilities of the CFD. This will include the accumulation of surpluses that are available for these purposes and for discretionary use.

### Administrative Reserve

Administrative expenses, including the cost incurred to determine, levy, and collect special taxes, including compensation of the City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the costs of collecting installments of special taxes upon the general tax rolls, preparation of required reports, and any other costs incurred in the administration of the CFD by the City.

## EXHIBIT B

### CITY OF SANTA CLARA COMMUNITY FACILITIES DISTRICT NO. 2019-1 (LAWRENCE STATION)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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A Special Tax applicable to each Assessor's Parcel of Taxable Property in the City of Santa Clara Community Facilities District No. 2019-1 (Lawrence Station) shall be levied and collected according to the tax liability determined by the Administrator 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 the provisions of Section H below, shall 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

The terms hereinafter set forth have the following meanings:

**“Accessory Unit”** means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

**“Acre”** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

**“Administrative Expenses”** means the following actual or reasonably estimated costs directly related to the administration of the CFD: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting Special Taxes; the costs to the City or any designee thereof for complying with City or obligated persons disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries, protests, or appeals regarding the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City for any other administrative purposes of the CFD, including attorney's fees, costs associated with annexations to the CFD, and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**“Administrator”** means the Director of Finance for the City, or such other person or entity designated by the Director of Finance of the City to administer the Special Tax according to this RMA.



**“Affordable Unit”** means a Residential Unit within the CFD that has a deed restriction recorded on the title of the property that: (i) limits the sales price of the Residential Unit, (ii) limits the appreciation that can be realized by the owner of such Residential Unit, or (iii) in any other way restricts the current or future value of the Residential Unit.

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

**“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel, including an Airspace Parcel, shown on an official map of the County Assessor designating parcels by Assessor’s Parcel numbers.

**“Assessor’s Parcel Map”** means an official map of the County Assessor designating parcels by Assessor’s Parcel number.

**“Authorized Services”** means those public services authorized to be funded by the CFD as set forth in the formation documents.

**“Base Special Tax”** means, for any Land Use Category, the applicable Special Tax identified in Table 1 in Section C below.

**“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 related facility or amenity, but a building permit has not yet been issued for the structure served by these facilities or amenities, such permit shall not be considered a “Building Permit” for purposes of application of the Special Tax herein.

**“CFD”** means the City of Santa Clara Community Facilities District No. 2019-1 (Lawrence Station).

**“CFD Formation”** means the date on which the City approved documents to form the CFD.

**“City”** means the City of Santa Clara.

**“City Council”** means the City Council of the City, acting as the legislative body of the CFD.

**“County”** means the County of Santa Clara.

**“Developed Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Taxable Owners Association Property or Taxable Public Property, for which a Building Permit was issued on or prior to June 30 of the preceding Fiscal Year, but not prior to January 1, 2017.

**“Escalator”** means the greater of the following: (i) the 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) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index is no longer published, a similar escalator that is determined by the City to be appropriate, and (ii) two percent (2%).

**“Exempt Retail Square Footage”** means 32,000 square feet of Ground Floor Retail Square Footage in Tax Zone 1 and zero (0) square feet of Ground Floor Retail Square Footage in Tax Zone 2, which amount for a particular Tax Zone may be adjusted each time property is annexed into that Tax Zone, as set forth in Section E below. Tax-exempt status for Ground Floor Retail Square Footage will be assigned by the Administrator in chronological order based on the dates on which the Building Permits were issued for structures that include Ground Floor Retail Square Footage.

**“Expected Land Uses”** means the total number of Residential Units, Ground Floor Retail Square Footage, or Other Non-Residential Square Footage expected within each Tax Zone in the CFD. The Expected Land Uses at the time of CFD Formation are identified in Attachment 2 and may be revised pursuant to Sections C, D, and E below.

**“Expected Maximum Special Tax Revenues”** means the aggregate Special Tax that can levied based on application of the Base Special Tax to the Expected Land Uses. The Expected Maximum Special Tax Revenues for each Tax Zone at the time of CFD Formation are shown in Attachment 2 and may be revised pursuant to Sections C, D, and E below.

**“Final Map”** mean a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots on which a buildings for new construction may be issued without further subdivision.

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

**“Future Annexation Area”** means the areas designated for potential future annexation to the CFD as shown in the CFD boundary map that was recorded in the County Recorder’s Office.

**“Ground Floor Retail Square Footage”** means the net saleable or net leasable square footage within a building that: (i) is or is expected to be square footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to, restaurants, bars, entertainment venues, health clubs, spas, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops, and (ii) is located on the ground floor of a building that is otherwise made up primarily of Residential Units. The Administrator shall make the final determination as to the amount of Ground Floor Retail Square Footage on any Parcel within the CFD.

**“Land Use Category”** means the categories of land use that are identified in Table 1 in Section C below.

**“Land Use Change”** means a change to the Expected Land Uses within the CFD after CFD Formation.

**“Maximum CFD Revenues”** means the aggregate Maximum Special Tax that can be levied on all Parcels of Taxable Property within each Tax Zone in the CFD in any given Fiscal Year.

**“Maximum Special Tax”** means the greatest amount of Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year as determined in accordance with Sections C, D, and E below.

**“Other Non-Residential Square Footage”** means, in any Fiscal Year, all square footage on a Parcel of Developed Property that is used or expected to be used for a land use other than Residential Units or Ground Floor Retail Square Footage, as determined by the Administrator. Other Non-Residential Square Foot means a single square-foot unit of Other Non-Residential Square Footage.

**“Owners Association”** means a property owners association or homeowners association that provides services to, and collects assessments, fees, dues, or charges from, property within the CFD.

**“Owners Association Property”** means any property within the boundaries of the CFD that is owned in fee or by easement by the Owners Association, not including any such property that is located directly under a residential or non-residential structure.

**“Proportionately”** means, for Developed Property, 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 of Developed Property. For Taxable Owners Association Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Taxable Owners Association Property. For Taxable Public Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Taxable Public Property.

**“Public Property”** means any property within the boundaries of the CFD that is owned by the federal government, State of California, City, or other public agency.

**“Required Revenues”** means the required Maximum CFD Revenues from Taxable Property in each Tax Zone within the CFD that must be available to the City in any Fiscal Year, although the actual amount levied in such Fiscal Year may be less than the Maximum CFD Revenues. For Fiscal Year 2018-19, the Required Revenues for Tax Zone 1 is \$300,977, which amount shall be adjusted on July 1, 2019 and each July 1 thereafter, by the Escalator. For Fiscal Year 2018-19, the Required Revenues for Tax Zone 2 is \$43,389, which amount shall be adjusted on July 1, 2019 and each July 1 thereafter, by the Escalator. The Required Revenues for a new Tax Zone will be established when the Tax Zone is created upon annexation into the CFD, and the Required Revenues for existing Tax Zones will be adjusted each time property is annexed into such Tax Zone, as set forth in Section E below.

**“Residential Unit”** means an individual single-family detached unit, duplex, half-plex, triplex, fourplex, townhome, live/work or condominium unit, or apartment unit. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Residential Unit for purposes of this RMA.

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

**“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 to pay for the following: (i) Authorized Services; (ii) Administrative Expenses; and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the Special Tax will be collected. The Special Tax Requirement may be reduced in any Fiscal Year by taking into account money reasonably expected to be available from one or more of the following sources: (a) surplus Special Tax revenues collected in prior Fiscal Years; and (b) any other funds available to apply against the Special Tax Requirement as determined by the Administrator.

**“Tax Zone”** means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. The two Tax Zones at CFD Formation are identified in Attachment 1 hereto. Additional Tax Zones may be created when property is annexed to the CFD, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. Assessor’s Parcels included within a new Tax Zone 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 Parcels specifically identified as within Tax Zone 1 in Attachment 1 of this RMA.

**“Tax Zone 2”** means the Parcels specifically identified as within Tax Zone 2 in Attachment 1 of this RMA.

**“Taxable Owners Association Property”** means, in any Fiscal Year, all Parcels of Owners Association Property within the CFD that, based on Attachment 2, were expected to be Taxable Property and, based on this expectation, had Maximum Special Taxes assigned to them in prior Fiscal Years, as determined by the Administrator.

**“Taxable Property”** means all Assessor’s Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section H below.

**“Taxable Public Property”** means, in any Fiscal Year, all Parcels of Public Property within the CFD that, based on Attachment 2, were expected to be Taxable Property and, based on this expectation, had Maximum Special Taxes assigned to them in prior Fiscal Years, as determined by the Administrator.

**“Taxable Retail Square Footage”** means any Ground Floor Retail Square Footage that exceeds the amount of permitted Exempt Retail Square Footage, as determined by the Administrator. Taxable Retail Square Foot means a single square-foot unit of Taxable Retail Square Footage.

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

## **B. DATA FOR CFD ADMINISTRATION**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property. The Administrator shall also determine: (i) within which Tax Zone each Parcel is located; (ii) whether each Parcel of Taxable Property is Developed Property, Taxable Owners Association Property, or Taxable Public Property; (iii) for Developed Property, the number of Residential Units and the amount of Ground Floor Retail Square Footage and Other Non-Residential Square Footage on each Parcel; (iv) for Ground Floor Retail Square Footage, the amount of Exempt Retail Square Footage and Taxable Retail Square Footage; and (v) the Special Tax Requirement for the Fiscal Year.

In any Fiscal Year, if it is determined that: (i) a Final Map or parcel map for a portion of property in the CFD was recorded after the last date upon which the Assessor will incorporate the newly-created Parcels into the then current tax roll, (ii) because of the date the Final Map or parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the Final Map or parcel map, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the Final Map or parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the Final Map or parcel map.

## **C. MAXIMUM SPECIAL TAX**

### ***1. Developed Property***

When a Parcel becomes Developed Property, the Administrator shall use the Base Special Tax shown in Table 1 below to determine the Maximum Special Tax for a Parcel. For property that annexes into the CFD, different maximum rates 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 applicable to that Tax Zone.

**Table 1**  
**Base Special Tax**

<b>Land Use Category</b>	<b>Base Special Tax Tax Zone 1 (FY 2018-19) *</b>	<b>Base Special Tax Tax Zone 2 (FY 2018-19) *</b>
Residential Units	\$302.80 per Residential Unit	\$132.29 per Residential Unit
Taxable Retail Square Footage	\$1.79 per Taxable Retail Square Foot	\$2.42 per Taxable Retail Square Foot
Other Non-Residential Square Footage	\$1.79 per Other Non- Residential Square Foot	\$2.42 per Other Non- Residential Square Foot

**\* On July 1, 2019 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by the Escalator.**

### Multiple Land Use Categories

If a Parcel is developed with multiple Land Use Categories, the Administrator shall apply the following steps to allocate the Maximum Special Tax to the Land Use Categories on the Parcel:

- Step 1:** Identify the number of Residential Units and amount of Taxable Retail Square Footage and Other Non-Residential Square Footage on the Parcel.
- Step 2:** Multiply the number of Residential Units, Taxable Retail Square Footage, and Other Non-Residential Square Footage on the Parcel by the applicable Base Special Tax for the Land Use Category.
- Step 3:** Sum the amounts determined for each Land Use Category in Step 2 to calculate the Maximum Special Tax for the Parcel.

Once a Special Tax has been levied on a Parcel of Developed Property, the Maximum Special Tax applicable to that Parcel shall not be reduced in future Fiscal Years regardless of changes in land use on the Parcel. Notwithstanding the foregoing, the actual Special Tax levied on the Parcel in any Fiscal Year may be less than the Maximum Special Tax if a lower Special Tax is calculated pursuant to Step 1 in Section F below.

### **2. *Taxable Owners Association Property and Taxable Public Property***

The Maximum Special Tax assigned to any Parcel of Taxable Owners Association Property or Taxable Public Property shall be the Expected Maximum Special Tax Revenues that were assigned to the Parcel (as determined by the Administrator) based on the Expected Land Uses prior to the Administrator determining that such Parcel had become Taxable Owners Association Property or Taxable Public Property.

### **D. CHANGES TO THE MAXIMUM SPECIAL TAX**

The Expected Maximum Special Tax Revenues shown in Attachment 2 were calculated based on the Expected Land Uses at CFD Formation. As set forth in Section E below, Attachment 2 shall be modified to reflect the Expected Land Uses and Expected Maximum Special Tax Revenues for the CFD if property is annexed to the CFD. Attachment 2 is also subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review all Land Use Changes and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

If a Land Use Change will result in a change to the Expected Maximum Special Tax Revenues for a particular Tax Zone, no action will be needed pursuant to this Section D if the change does not cause the Expected Maximum Special Tax Revenues to be less than the Required Revenues for such Tax Zone. Upon approval or identification of the Land Use Change, the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues and Maximum CFD Revenues.



If a Land Use Change would reduce the Expected Maximum Special Tax Revenues in a Tax Zone below the Required Revenues, the Base Special Tax for Parcels that are subject to the Land Use Change (as determined by the Administrator) shall be increased proportionately until the amount that can be levied on Taxable Property subject to the Land Use Change, combined with the Expected Maximum Special Tax Revenues from other Taxable Property within the Tax Zone, is sufficient to maintain the Required Revenues. The Administrator shall use these adjusted rates to calculate the Maximum Special Tax for all Parcels within the area subject to the Land Use Change. The Administrator shall also revise Attachment 2 to reflect the new Expected Maximum Special Tax Revenues for such Tax Zone.

Under no circumstances shall the Maximum Special Tax on any Parcel of Developed Property be reduced, regardless of changes in land use on the Parcel, including reductions that may occur due to demolition, fire, water damage, or acts of God.

#### **E. ANNEXATIONS**

If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex property into the CFD, the Administrator shall apply the following steps as part of the annexation proceedings:

- Step 1.** Working with City staff and the landowner, the Administrator shall determine the Maximum Special Tax that will apply to all Land Use Categories expected within the area to be annexed. Once determined, the Maximum Special Tax for the annexing area shall be identified in the Unanimous Approval Form which will be signed by the property owner as part of the annexation process. If the Maximum Special Tax that will apply to the annexed area is different than the Maximum Special Tax that is in effect for other Tax Zones that exist at the time of the annexation, the newly annexed area shall be designated as a separate Tax Zone for purposes of this RMA.
- Step 2.** The Administrator shall prepare and keep on file updated Attachments 1 and 2 that adds the annexed property and identifies the Expected Land Uses and Expected Maximum Special Tax Revenues for the Tax Zone. After the annexation is complete, the application of Sections C and F of this RMA shall be based on the adjusted Expected Land Uses and Expected Maximum Special Tax Revenues including the newly annexed property.
- Step 3.** If the property annexes into an existing Tax Zone, the Administrator shall update the Required Revenues to include the Expected Maximum Special Tax Revenues for the area being annexed. If a new Tax Zone is created for the annexing property, the Administrator shall identify the Required Revenues for the newly created Tax Zone.
- Step 4.** The Administrator shall update the square footage of Exempt Retail Square Footage to include such square footage as estimated in the area that was annexed.

- Step 5.** The Administrator shall update the acreage of exempt Public Property and exempt Owners Association Property to include such acreage as estimated in the area that has annexed.
- Step 6.** The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels annexed to the CFD.

**F. METHOD OF LEVY OF THE SPECIAL TAX**

Each Fiscal Year, the Special Tax shall be levied according to the steps outlined below:

- Step 1.** The Special Tax shall be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year until the amount levied is equal to the Special Tax Requirement.
- Step 2.** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Owners Association Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Owners Association Property for such Fiscal Year.
- Step 3.** If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Public Property for such Fiscal Year.

**G. COLLECTION OF SPECIAL TAX**

The Special Tax shall be collected at the same time and in the same manner as ordinary ad valorem property taxes, provided, however, that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax may be levied and collected in perpetuity as necessary to pay the Special Tax Requirement.

**H. EXEMPTIONS**

No Special Tax shall be levied on: (i) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (ii) Parcels owned by a public utility for an unmanned facility, (iii) Affordable Units, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement.

In addition, notwithstanding any other provisions of this RMA, no Special Tax may be levied on up to 8.76 acres of Owners Association Property and/or Public Property in Tax Zone 1, 2.06



acres of Owners Association Property and/or Public Property in Tax Zone 2, and 32,000 square feet of Ground Floor Retail Square Footage in Tax Zone 1, which amounts will be adjusted with each annexation of property into the Tax Zone as set forth in Section E above. Tax-exempt status will be assigned by the Administrator to Public Property and Owners Association Property in each Tax Zone in chronological order based on the date on which Parcels are transferred to a public agency or the Owners Association. As of CFD Formation, there was no Ground Floor Retail Square Footage expected within Tax Zone 2; therefore, all Ground Floor Retail Square Footage in Tax Zone 2 shall be Taxable Retail Square Footage for purposes of this RMA.

## **I. INTERPRETATION OF SPECIAL TAX FORMULA**

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, that does not create a material adverse effect on the levy and collection of the Special Tax.


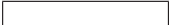


**ATTACHMENT 1**

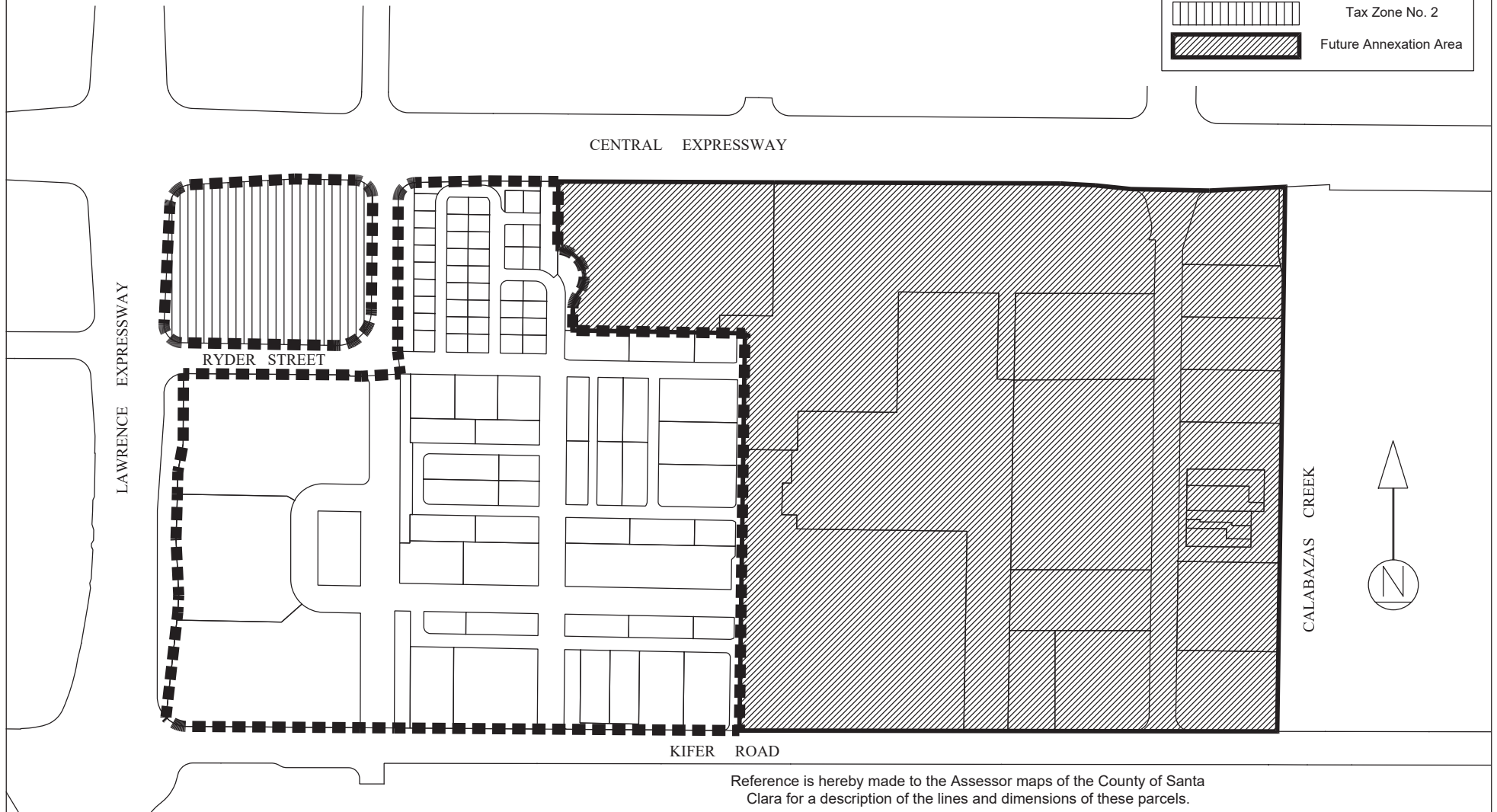
**CITY OF SANTA CLARA  
COMMUNITY FACILITIES DISTRICT NO. 2019-1  
(LAWRENCE STATION)**

**IDENTIFICATION OF TAX ZONES**

**Attachment 1**  
**CITY OF SANTA CLARA**  
**COMMUNITY FACILITIES DISTRICT NO. 2019-1**  
**(Lawrence Station)**

**LEGEND**

	Boundaries of CFD No. 2019-1
	Tax Zone No. 1
	Tax Zone No. 2
	Future Annexation Area



Reference is hereby made to the Assessor maps of the County of Santa Clara for a description of the lines and dimensions of these parcels.

## ATTACHMENT 2

### CITY OF SANTA CLARA COMMUNITY FACILITIES DISTRICT NO. 2019-1 (LAWRENCE STATION)

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

<b>Tax Zone /1</b>	<b>Expected Land Uses</b>	<b>Expected Number of Residential Units</b>	<b>Expected Ground Floor Retail Square Footage or Other Non-Residential Square Footage</b>	<b>Base Special Tax per Residential Unit or per Square Foot (FY 2018-19) /2</b>	<b>Expected Maximum Special Tax Revenues (FY 2018-19) /2</b>
1	Residential Units	994	N/A	\$302.80 per Residential Unit	\$300,983
2	Residential Units	328	N/A	\$132.29 per Residential Unit	\$43,391
<b>Maximum CFD Revenues</b>		<b>1,322</b>	<b>N/A</b>	<b>N/A</b>	<b>\$344,374</b>

/1 See Attachment 1 for the geographic area associated with each Tax Zone.

/2 Beginning July 1, 2019 and each July 1 thereafter, all dollar amounts shown above shall be increased by the Escalator.