

**ORDINANCE NO. 1999**

**AN ORDINANCE OF THE CITY OF SANTA CLARA,  
CALIFORNIA LEVYING SPECIAL TAXES WITHIN THE  
CITY OF SANTA CLARA COMMUNITY FACILITIES  
DISTRICT 2019-1 (LAWRENCE STATION)**

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

**WHEREAS**, on March 5, 2019, the City Council adopted Resolution No. 19-8674, entitled "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)" (the "Resolution of Intention"), stating its intention to form "City of Santa Clara Community Facilities District 2019-1 (Lawrence Station)" (the "CFD") and "City of Santa Clara Community Facilities District 2019-1 (Lawrence Station) (Future Annexation Area)" (the "Future Annexation Area"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), in order to fund certain municipal services (the "Services") as provided in the Act;

**WHEREAS**, on April 9, 2019, the City Council held a noticed public hearing as required by the Act relative to the determination to proceed with the formation of the CFD and the Future Annexation Area, and the rate and method of apportionment of the special tax to be levied within the CFD to fund the costs of the Services;

**WHEREAS**, at said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the Future Annexation Area and the levy of the special taxes were heard, substantial evidence was presented and considered by the City Council and a full and fair hearing was held;

**WHEREAS**, subsequent to the hearing, the City Council adopted its Resolution entitled "A Resolution of the City of Santa Clara, California, Formation of Community Facilities District: City of Santa Clara Community Facilities District 2019-1 (Lawrence Station)" (the "Resolution of Formation"), and its Resolution entitled "A Resolution of the City of Santa Clara, California, Calling Special Election: City of Santa Clara Community Facilities District 2019-1 (Lawrence Station)" which defined the Services to be funded by the CFD, established the CFD and the Future Annexation Area, authorized the levy of a special tax with the CFD, and called an election within the CFD on the propositions of levying a special tax and establishing an appropriations limit within the CFD; and,

**WHEREAS**, on April 9, 2019, a special election was held within the CFD at which the eligible landowner electors approved such propositions by the two-thirds vote required by the Act, which has been confirmed by resolution of the City Council.

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

**SECTION 1:** By passage of this Ordinance the City Council hereby authorizes and levies special taxes within the CFD (including any parcel or parcels in the Future Annexation Area that annex into the CFD) pursuant to the Act, at the rates and in accordance with the formula (the "Rate and Method") set forth in the Resolution of Formation, which is by this reference incorporated herein. The special taxes are hereby levied commencing in fiscal year 2019-20 and in each fiscal year thereafter to pay for the Services, as contemplated by the Resolution of Formation, and to pay for all costs of administering the CFD.

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**SECTION 2:** The Director of Finance of the City is hereby authorized and directed to determine the specific special tax rate and amount to be levied for each parcel of real property within the CFD (including any parcel or parcels in the Future Annexation Area that annex into the CFD), in the manner and as provided in the Resolution of Formation and the Rate and Method.

**SECTION 3:** Exemptions from the levy of the special tax shall be as provided in the Resolution of Formation and the applicable provisions of the Act. In no event shall the special taxes be levied on any parcel within the CFD in excess of the maximum tax specified in the Resolution of Formation and the Rate and Method.

**SECTION 4:** All collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of the costs of the Services, the payment of the costs of the City in administering the CFD and the costs of collecting and administering the special tax.

**SECTION 5:** The special taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the City Council may provide for other appropriate methods of collection by resolution of the City Council, and the Director of Finance is hereby authorized to collect the special taxes by other appropriate methods of collection, including direct billing to the affected property owners at such intervals deemed appropriate. In addition, the provisions of section 53356.1 of the Act shall apply to delinquent special tax payments.

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The Director of Finance is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Santa Clara in order to effect proper billing and collection of the special tax, so that the special tax is included on the secured property tax roll of the County of Santa Clara for fiscal year 2019-20 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the City.

**SECTION 6:** If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within the CFD shall not be affected.

**SECTION 7:** This Ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION this 9<sup>TH</sup> day of April, 2019, by the following vote:


AYES: COUNCILORS: Chahal, Davis, Hardy, O'Neill and Watanabe and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: Mahan

ABSTAINED: COUNCILORS: None

ATTEST:

  
NORA PIMENTEL, MMC  
ASSISTANT CITY CLERK  
CITY OF SANTA CLARA

Attachments incorporated by reference:  
1. Resolution of Formation

**RESOLUTION NO. 19-8691**

**A RESOLUTION OF THE CITY OF SANTA CLARA,  
CALIFORNIA, FORMATION OF COMMUNITY FACILITIES  
DISTRICT: CITY OF SANTA CLARA COMMUNITY FACILITIES  
DISTRICT 2019-1 (LAWRENCE STATION)**

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

**WHEREAS**, on March 5, 2019, the City Council (the "Council") of the City of Santa Clara (the "City") adopted Resolution No. 19-8674, entitled "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}" (the "Resolution of Intention"), stating its intention to form (i) the City of Santa Clara Community Facilities District 2019-1 (Lawrence Station) (the "CFO") and (ii) the City of Santa Clara Community Facilities District 2019-1 (Lawrence Station) (Future Annexation Area) (the "Future Annexation Area") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act");

**WHEREAS**, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFO and the Future Annexation Area and stating the services to be provided and the rate and method of apportionment of the special tax to be levied within the CFO to pay for the services, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

**WHEREAS**, on this date, April 9, 2019, this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFO and the Future Annexation Area;

**WHEREAS**, at the hearing, all interested persons desiring to be heard on all matters pertaining to the formation of the CFO and the Future Annexation Area, the services to be provided therein and the levy of such special tax were heard and a full and fair hearing was held;

**WHEREAS**, at the hearing, evidence was presented to this Council on such matters before it, including a special report (the "Report") as to the services to be provided through the CFO and the costs thereof, a copy of which is on file with the City Clerk, and this Council at the conclusion of said hearing is fully advised in the premises;

**WHEREAS**, written protests with respect to the formation of the CFO, the furnishing of specified types of services and the rate and method of apportionment of the special taxes have not been filed with the City Clerk by 50% or more of the registered voters residing within the territory of the CFO or property owners of one-half or more of the area of land within the CFO and not exempt from the proposed special taxes; and

**WHEREAS**, written protests have not been filed with the City Clerk against the proposed annexation of the Future Annexation Area to the CFO by (i) 50% or more of the registered voters, or six registered voters, whichever is more, residing in the proposed boundaries of the CFO, or (ii) 50% or more of the registered voters, or six registered voters, whichever is more, residing in the Future Annexation Area, (iii) owners of one-half or more of the area of land in the proposed CFO or (iv) owners of one-half or more of the area of land in the Future Annexation Area.

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

1. Recitals Correct. The foregoing recitals are true and correct.
2. No Majority Protest. The proposed CFO, the proposed Future Annexation Area and the proposed special tax to be levied within the CFO have not been precluded by majority protest pursuant to section 53324 of the Act.
3. Prior Proceedings Valid. All prior proceedings taken by this Council in connection with the establishment of the CFO and the Future Annexation Area and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.

4. Formation of CFO and Future Annexation Area. The CFO, which is designated "City of Santa Clara Community Facilities District No. 2019-1 (Lawrence Station)," is hereby established pursuant to the Act. The Future Annexation Area, which is designated "City of Santa Clara Community Facilities District No. 2019-1 (Lawrence Station) (Future Annexation Area)," is hereby established pursuant to the Act.

5. Boundaries Described. The boundaries of the CFO and the Future Annexation Area, as set forth in the map of the CFO heretofore recorded in the Santa Clara County Recorder's Office on March 18, 2019, at 2:15 p.m., in Book 53 of Maps of Assessment and Community Facilities Districts at Pages 1 and 2, as Document No. 24136787, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFO and the Future Annexation Area. Parcels within the Future Annexation Area shall be annexed to the CFO 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.

6. Services. The type of services (the "Services") proposed to be financed by the CFO 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 CFO and, when it has been annexed to the CFO, the Future Annexation Area.

7. No contract. This Council hereby finds and determines that the public interest will not be served by allowing the property owners in the CFO and the Future Annexation Area to enter into a contract in accordance with Section 53329.5(a) of the Act.

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8. Special Tax. Except to the extent that funds are otherwise available to the CFO 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 CFO, will be levied annually within the CFO, 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 CFO, in sufficient detail to allow each landowner within the proposed CFO 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").

Territory in the Future Annexation Area will be annexed into the CFO and a special tax will be levied on such territory 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 into the CFO. Except to the extent that funds are otherwise available to the CFO to pay for the Services, a special tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the Future Annexation Area, is intended to be levied annually within the Future Annexation Area, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this City Council. 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 CFO, 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 CFO. 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 CFO.



9. Increased Demands. It is hereby found and determined that the Services are necessary to meet increased demands placed upon local agencies, including the City, as the result of development occurring in the CFO and the Future Annexation Area. The Services are in addition to those provided in the territory of the CFO and the Future Annexation Area as of the date hereof and will not supplant services already available within the territory of the CFO and the Future Annexation Area as of the date hereof.

10. Responsible Official. The Director of Finance (or his or her designee) of the City of Santa Clara, City Hall, 1500 Warburton Avenue, Santa Clara, CA 95050, telephone number (408) 615-2200, is the officer of the City who will be responsible for preparing annually a current roll of the levy of the Special Tax obligations by assessor's parcel number and who will be responsible for estimating future levies of the Special Tax.

11. Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the CFO and this lien shall continue in force and effect until the Special Tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the Special Tax by the City ceases.

12. Appropriations Limit. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFO is hereby preliminarily established at \$400,000, and such appropriations limit shall be submitted to the voters of the CFO as hereafter provided. The proposition establishing such annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act and the Constitution.

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13. Election. Pursuant to the Act, the proposition of the levy of the Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFO at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council.

14. 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 9<sup>TH</sup> DAY OF APRIL, 2019, BY THE FOLLOWING VOTE:

AYES: COUNCILORS: Chahal, Davis, Hardy, O'Neill, and  
Watanabe and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: Mahan

ABSTAINED: COUNCILORS: None

ATTEST:

*Nora Pimentel*  
for NORA PIMENTEL, MMC  
ASSISTANT CITY CLERK  
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Exhibit A: Authorized Services
2. Exhibit B: Rate and Method of Apportionment of Special Tax

**EXHIBIT A**  
**AUTHORIZED SERVICES**  
**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, barbecues, 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 be 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”** means 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 building 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**

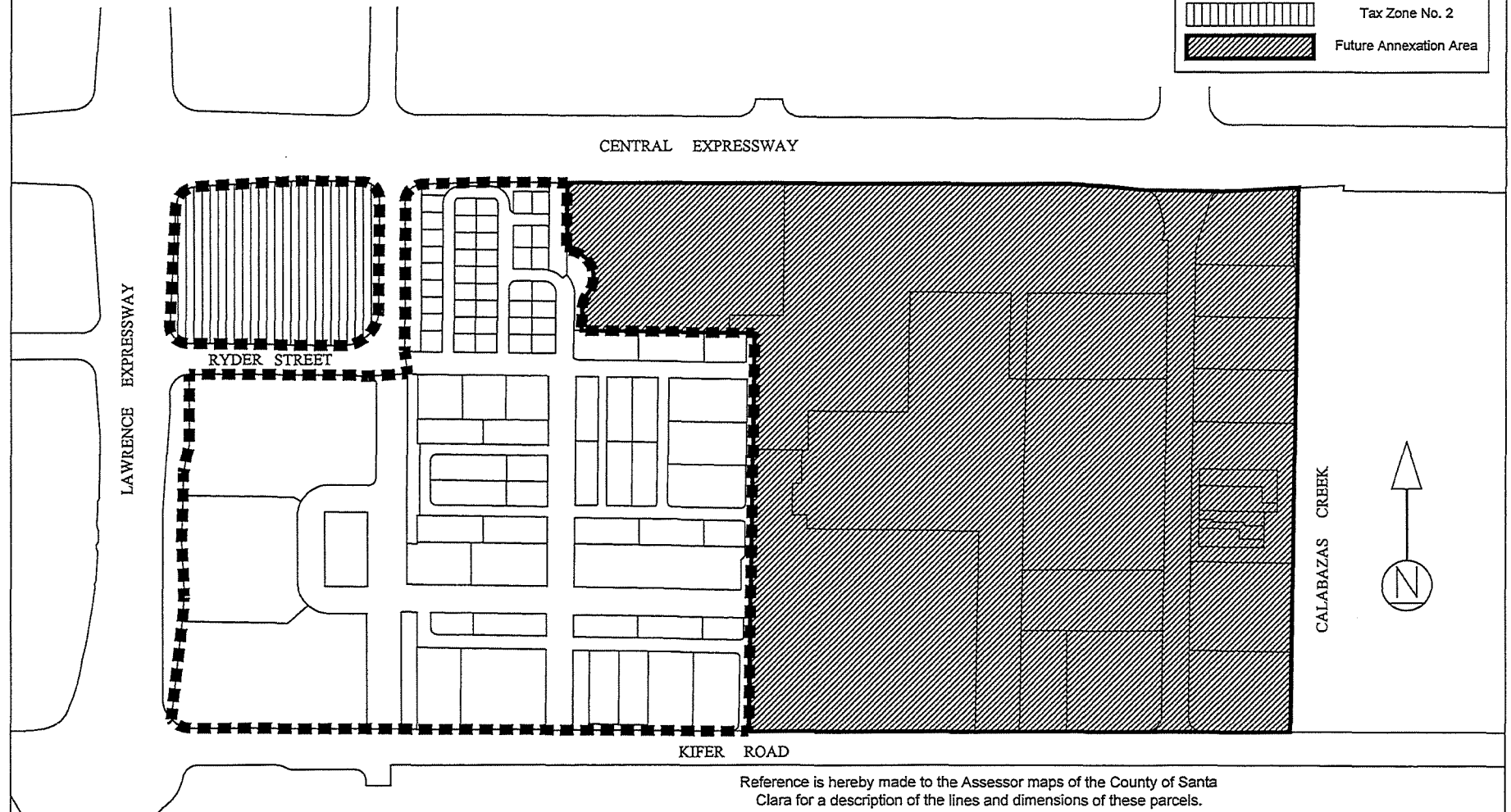
**CITY OF SANTA CLARA  
COMMUNITY FACILITIES DISTRICT NO. 2019-1  
(LAWRENCE STATION)**

**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





## 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.