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## **PROCEDURAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CMFA, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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## **PROPERTY ASSESSED CLEAN ENERGY (“PACE”) SUMMARY AND RECOMMENDATIONS**

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Action	Approve a Resolution Authorizing an Amendment of the Commercial PACE Assessment Contract Related to the Property Located at 1510 Webster Street, Oakland California
Purpose:	Property Assessed Clean Energy (“PACE”)
Activity:	PACE Financing and Refinancing of Energy Efficiency, Water Efficiency, Renewable Energy Generation and Seismic Improvements
Meeting:	February 26, 2021

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### Background:

Property Assessed Clean Energy (“PACE”) programs help local economies and the environment by providing financing for energy and water efficient improvements and renewable energy systems. Communities with PACE programs have increased construction activity, created jobs, lowered utility bills, and reduced greenhouse gas emissions. Property owners repay the financing through their property tax bill over the useful life of the installed products.

### Discussion:

The C-PACE financing for 1510 Webster Street, Oakland originally closed on October 11, 2019. At the time, the Program Administrator, Twain Community Partners, contemplated doing the annual property tax administration in-house. The company has recently decided to outsource this function to a 3<sup>rd</sup> party property tax consultant, David Taussig and Associates. To ensure there are funds to pay the additional administration costs whether Twain continues to hold the PACE loan or sells it to another lender, the property owner and Twain have agreed to increase the annual property tax assessment amount by approximately \$1,016 to cover the additional costs.

The above listed item has been reviewed by Jones Hall, APLC.

### Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve the amended C-PACE contract to reflect increased assessment payment amounts.



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## **SPONSORSHIP OF THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA AFFORDABLE HOUSING LEADERSHIP AWARDS & ANNUAL HOUSING CONFERENCE**

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Subject: Sponsorship of Two NPH Housing Conferences

Meeting: February 26, 2021

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### **Background:**

It is expected that affordable housing leaders, peers, developers, advocates, and experts and cross-sector partners will attend the conferences virtually. As a Conference Sponsor, the benefits will be supporting NPH, exposure to hundreds of conference attendees and acknowledgment in NPH online publications.

### **Recommendation:**

The Executive Director recommends that the CMFA Board of Directors approve a Benefactor Sponsorship for the Non-Profit Housing Association of Northern California (NPH) Spring Affordable Housing Leadership Awards and the Fall Affordable Housing Conference.



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## **MANNCO BIOSOLIDS DRYING AND PYROLYSIS SUMMARY AND RECOMMENDATIONS**

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Applicant:	Mannco Solutions, LLC
Action:	Initial Resolution
Amount:	\$50,660,000
Purpose:	Finance the Acquisition, Construction, Rehabilitation, Improvement and Equipping of Solid Waste Processing and Energy Generation Facilities Located in the City of Colusa, County of Colusa, CA
Activity:	Pollution Control
Meeting:	February 26, 2021

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### Background:

Mannco Wastewater Solutions, LLC is a soil and wastewater solutions provider. They are endeavoring to effect positive change in the agricultural industry, the environment, and in municipalities using Class A Biosolids. They work with local governments, turning what was considered a problem to be dealt with - the disposal of wastewater - into an environmentally sustainable and soil-enriching agricultural benefit, as well as a potential revenue stream for the municipality.

The Mannco Wastewater Solutions has over 45 years of agricultural experience. They are a member of the Water Environment Association and the National Science Foundation (and serves on the NSF's Industry Advisory Board).

### The Project:

The Mannco Solutions, LLC. Biosolids and Pyrolysis Project ("the Project") is a sewer sludge drying plant coupled with a pyrolysis and turbine generation facility at a single site in an industrial park near Colusa, California. The Plant will serve the area within up to 70 miles of the Project with a beneficial means to dispose of digested sewage sludge without the use of landfilling or land application. This is a combination of existing technologies. The focus of the overall Project is to:

- remove up to 130,000 tons annually of wet digested sludge from landfilling or land application.
- Convert that sludge into a pathogenically sterile saleable product called bio-char.
- Permanently remove that sludge stream from further transfer risk of pathogens, pharmaceuticals and metal soil contamination.
- Use that waste stream to generate efficiently produced renewable electric energy to return to the grid.
- Definitively demonstrate the commercial viability of such an approach to sewage sludge transformation.

The major equipment components are available for purchase domestically without significant modification. This equipment set includes sludge receiving stations, rotary thermal dryers, air pollution control equipment (wet scrubber/condenser, bag house, thermal oxidizers and containment), dried product storage silos, one or more pyrolysis units with air recirculation, and steam powered electric generators. All major equipment will be connected with augers or conveyors. All equipment will be protected from weather in an existing 26,000 sq. ft. industrial steel sided building with smaller outbuildings for maintenance, laboratory work and dry storage.

The Plant will take sludge cake from nearby wastewater treatment plants (WWTP's), feeding it to the dryer(s) over 24 hours, 5-6 days/week. The dryers are natural gas fueled with potential to also use waste heat from the steam turbines. The 1030 installed HP for motors is electric. All discharged air meets air pollution control requirements primarily through containment but additionally using conventional thermal oxidizers as needed. Cake will be tested for % solids, % volatiles and condition before going into process. Dried biosolids feed into the pyrolysis part of the Project at a set optimal dryness and BTU value.

Wet sludge will be taken from the WWTPs under put-or-pay contracts. Unit price exceedances for consumables will be passed through to the WWTP generator. Operational exceedances are borne by the Project. Solar heating for preheating and electrical generation will be considered after Project profitability is confirmed.

The pyrolysis output product is an organic ash material suitable for medium quality use as carbon black for use as ink colorant, synthetic rubber bulking agent and colorant, paint colorant and filtration media sold through existing marketing channels. The steam powered generator(s) will be used to produce electricity from the energy in the dried sludge and this will be returned to the grid for a value based on alternate energy generation pricing.

There is to the Borrower's knowledge, based on active involvement for over 20 years individually in this field of endeavor, no demonstrated commercial application in the US of these individually proven design elements. The Borrower and related proposers under hire or contract have in the aggregate over 100 years high level ownership and managerial experience in these design and processing components in commercial applications in the US. Research and development of value-added products and area longer term augmented product impacts are included in project funding proformas.

County of Colusa:

The County of Colusa will be asked to become a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the County will receive approximately \$19,403 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 47,615,000
Owner Equity:	<u>\$ 1,509,952</u>
Total Sources:	\$ 49,124,952

Uses of Funds:

Land Acquisition:	\$ 2,220,000
Building Acquisition:	\$ 1,935,949
New Construction:	\$ 2,178,140
New Machinery and Equipment:	\$ 20,829,885
Used Machinery and Equipment:	\$ 5,260,000
Architectural & Engineering:	\$ 1,466,632
Legal & Professional:	\$ 1,466,632
Debt Service Reserve:	\$ 4,277,969
Capitalized Interest:	\$ 2,380,750
Hiring, Start-up and Training:	\$ 453,381
Contingency:	\$ 4,193,362
Costs of Issuance:	<u>\$ 2,462,252</u>
Total Uses:	\$ 49,124,952

Terms of Transaction:

Amount:	\$50,660,000
Estimated Rating:	Unrated
Maturity:	October 2046
Collateral:	Security Lien, Gross Revenue Pledge
Estimated Closing:	October 2021

Public Benefit:

The Project will provide many benefits locally, regionally, and statewide. The Project will convert up to 135,000 tons of wet sewage sludge from a pathogenically problematic substances converted into an inert char with demonstrated commercial value. In this transformation, the Project will remove pathogenically problematic material from the ecosystem as a potential source of disease, trace and ubiquitous pharmacological pollutant source and isolate all entrained metals so that they are exceedingly less likely to reach the soil or groundwater. The Project will generate approximately 33 mega Watts of electricity per day from this waste stream. The Project will protect the atmosphere by encapsulating the carbon release potential of waste material through controlled low oxygen means and therefore convert a substantial part of this potential GHG source to a stable solid carbon product, again with commercial uses. The Project will create approximately 20 full time well-paying jobs which will continue for the life of the Project.

Construction and equipment required will create an additional 39-50 full time jobs during the construction and buildout phase of the project. The Project will protect the environment from added GHG loading by creating electricity from a renewable waste stream.

Finance Team:

Underwriter:	Citigroup Global Markets Inc.
Underwriter Counsel:	TBD
Bond Counsel:	Stradling Yocca Carlson & Rauth, PC
Borrower Counsel:	Law Office of Thomas Rose
Issuer Counsel:	Jones Hall, APLC

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution in the amount of up to \$50,660,000 to finance the acquisition, construction, improvement, renovation and equipping of solid waste processing and energy generation facilities located in the City of Colusa, County of Colusa, California.

Note: This transaction is subject to review and final approval at the Final Resolution.



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## **CHARTER SCHOOL RAN PROJECT SUMMARY AND RECOMMENDATIONS**

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Applicant:	Aspire Public Schools; REAL Journey Academies, Inc.; ACE Charter School; Alta Public Schools; River Springs Charter School, Inc.; Empire Charter School; John Adams Academies, Inc.; Urban Discovery Schools
Action:	Final Resolution
Amount:	\$70,000,000
Purpose:	Finance Working Capital for Aspire Public Schools; REAL Journey Academies, Inc.; ACE Charter School; Alta Public Schools; River Springs Charter School, Inc.; Empire Charter School; John Adams Academies, Inc.; Urban Discovery Schools, Located Throughout California.
Activity:	Charter School Revenue Anticipation Notes
Meeting:	February 26, 2021

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### Background:

The California State Deferral Financing Program is a pooled financing program to help charter schools address cash needs due to State budget deferrals this year. The 2020-21 California State Budget included the deferral of over \$11 billion of payments to local schools in order for the State to help manage its cash flow needs due to the COVID-related economic slowdown. Charter and district schools will have approximately 35% of their 2020-21 revenues deferred to the 2021-22 fiscal year, representing all or a portion of state apportionments February to June 2021, with the amounts to be repaid from July to November 2021. This approval will allow CMFA to issue up to \$70 million of Revenue Anticipation Notes (RANs) in one or more series to be loaned to eight charter school organizations in order to address their cash flow needs resulting from the deferrals. A separate loan agreement will be executed between the CMFA and each of the charter schools participating in the pooled financing, evidencing each borrower's independent obligation to repay only their portion of the notes. The RANs will have a maximum term of 13 months and may be issued on a tax-exempt or taxable basis.



The Project:

The proceeds of the Notes will be used to make a loan to one or more of the borrowers listed in the table below (each, a “Borrower”), each of which is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 to: (1) provide working capital to fund operating expenses or other non-capital budgetary expenditures for one or more of the charter schools listed in the table below (each, a “School”), the respective main campuses of which are located at the respective addresses set forth in the table below, and operated as public charter schools by the operators set forth in the table below (each, an “Operator”); and (2) pay certain expenses incurred in connection with the issuance of the Notes.

Borrower and Operator Name	Allocation of Principal Amount of Notes	School Name and Address
ACE Charter School	Up to \$2,000,000, at each listed address	ACE Empower Academy (625 South Sunset Avenue, San Jose, CA 95116); ACE Esperanza Middle School (1665 Santee Drive, San Jose, CA 95122); ACE Charter High School (1776 Educational Park Drive, San Jose, CA 95133); ACE Inspire Academy (1155 E Julian Street, San Jose, CA 95116)
Alta Public Schools	Up to \$4,000,000, at each listed address	Academia Moderna (2410 Broadway Ave., Walnut Park, CA 90255); Prepa Tec Middle School (2665 Clarendon Ave, Huntington Park, CA 90255; 6005 Stafford Ave, Huntington Park, CA 90255); Prepa Tec High School (4210 E. Gage Avenue, Bell, CA 90201)
Aspire Public Schools	Up to \$20,000,000, at each listed address	Aspire University Charter School (819 Sunset Ave, Modesto, CA 95355); Aspire Vanguard College Preparatory Academy (819 Sunset Ave, Modesto, CA 95355); Aspire East Palo Alto Charter School (1286 Runnymede St, East Palo Alto, CA 94303); Aspire East Palo Alto Phoenix Academy (1039 Garden St, East Palo Alto, CA 94303); Aspire Golden State (1009 66th Ave, Oakland, CA 94621); Aspire Lionel Wilson (400 105th Ave, Oakland, CA 94603); Aspire Alexander Twilight College Prep (2360 El Camino Ave, Sacramento, CA 95821); Aspire Alexander Twilight Secondary (2360 El Camino Ave, Sacramento, CA 95821); Aspire Langston Hughes (2050 West Ln, Stockton, CA 95205);

		Aspire Port City (2040 West Ln, Stockton, CA 95205); Aspire River Oaks (1801 Pyrenees Ave, Stockton, CA 95210); Aspire Ben Holt (3201 E Morada Ln, Stockton, CA 95212); Aspire Ben Holt Middle (3293 East Morada Lane, Stockton, CA 95212); Aspire Titan Academy (6720 Alameda St, Huntington Park, CA 90255); Aspire Junior Collegiate (6724 Alameda St, Huntington Park, CA 90255); Aspire Pacific Academy (2565 E 58th St, Huntington Park, CA 90255)
John Adams Academies, Inc.	Up to \$6,000,000, at each listed address	Roseville Campus (1 Sierra Gate Plaza, Roseville, CA 95678); Lincoln Campus (1797 Bella Breeze Drive, Lincoln CA 95648); El Dorado Hills Campus (1102 Investment Blvd., El Dorado Hills, CA 95762)
REAL Journey Academies, Inc.	Up to \$7,000,000, at each listed address	New Vision Middle School (26655 Highland Ave, Highland, CA 92346); Entrepreneur High School (26655 Highland Ave, Highland, CA 92346); iEmpire Academy (2050 Pacific St, San Bernardino, CA 92404); The Journey School (25560 Alessandro Blvd, Moreno Valley, CA 92553)
River Springs Charter School, Inc.	Up to \$15,000,000, at each listed address	River Springs Charter School (43040 Margarita Road, Temecula, CA 92592; 26800 Newport Road, Menifee, CA 92584; 42145 Lyndie Lane, Temecula, CA 92591; 4260 Tequesquite Avenue, Riverside, CA 92501; 4020 Jefferson Street, Riverside, CA 92504; 5580 42nd Street, Riverside, CA 92509; 1091 West Esplanade Avenue, San Jacinto, CA 92583; 3050 Chicago Avenue, Riverside, CA 92507; 760 W. Acacia Avenue, Hemet, CA 92543; 105 N. Girard Street, Hemet, CA 92544; 510 West Second Street, Corona, CA 92882; 41866 Kalmia Street, Murrieta, CA 92562; 46-601 Vargas Road, Indio, CA 92201; 745 N. Perris Boulevard, Perris, CA 92571; 27447 Enterprise Circle West, Temecula, CA 92590; 1861 California Avenue, Corona, CA 92881; 760 W. Acacia Avenue,

		Hemet, CA 92543)
Empire Springs Charter School	Up to \$8,000,000, at each listed address	Empire Springs Charter School (8968 Archibald Ave, Rancho Cucamonga, CA 91730)
Urban Discovery Schools	Up to \$4,000,000, at each listed address	Urban Discovery Academy (840 14th St, San Diego, CA 92101 and 1400 Park Blvd., San Diego, CA 92101)

The County of San Diego:

The County of San Diego is a member of the CMFA and has been asked to hold a TEFRA hearing on March 2, 2021. Upon closing, the County is expected to receive approximately \$16,000 as part of the CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 66,000,000
Total Sources:	\$ 66,000,000

Uses of Funds:

Working Capital:	\$ 66,000,000
Total Uses:	\$ 66,000,000

Terms of Transaction:

Amount:	\$70,000,000
Maturity:	April 2022
Collateral:	State Apportionment Receivables
Bond Purchasers:	Limited Public Offering
Rating:	Unrated
Estimated Closing:	March 2021

Public Benefit:

This financing will allow eight charter school organizations to continue operations as they await deferred funding from the State.

Finance Team:

Underwriter:	Stifel, Nicolaus & Company, Inc.
Bond Counsel:	Orrick Herrington & Sutcliffe, LLP.
Issuer's Counsel:	Jones Hall, APLC
Borrower's Counsel:	Campanile Group, Inc.
Underwriter Counsel:	Stradling Yoccca Carlson & Rauth
Financial Advisor:	Key Charter Advisors, LLC

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt a Final Resolution of \$70,000,000 for the Charter School RAN financing located in various locations throughout California.

\*The information mandated by California Government Code Section 5852.1, including the true interest cost, finance charge, amount of proceeds received from the sale, and the total payment amount to final maturity is attached to this report.



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## **NORTH HARBOR VILLAGE APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant:	Jamboree Housing Corporation
Action:	Final Resolution
Amount:	\$30,000,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Santa Ana, Orange County, California
Activity:	Affordable Housing
Meeting:	February 26, 2021

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### Background:

Jamboree's mission is to create opportunity for their residents with the homes they build and the services they provide. It's an opportunity for families, seniors and those with special needs to access homes they can afford, with distinctive resident services that are responsive and that strengthen the community.

They achieve their mission through the development and construction of new affordable rental and for-sale housing; the preservation of existing affordable housing units through acquisition and rehabilitation; and partnerships with cities to develop broader community and economic opportunities.

Founded in 1990 by the late Lila Lieberthal, a life-long affordable housing advocate, Jamboree has experienced steady growth and geographic expansion. Today, their portfolio includes development and/or ownership interest of nearly 6,300 affordable homes in 61 California communities – topping a market value of \$1 billion.

### The Project:

North Harbor Village is a new construction project located in Santa Ana on a 1.79-acre site. The project will consist of 89 restricted rental units and 2 unrestricted manager units. The project will have 89 studios, 1 two-bedroom unit and 1 three-bedroom unit. The project will feature a community garden, sports court and dog run. The leasing area will be where the existing motel lobby area is located. New unit amenities will include air conditioning, refrigerator, range/oven, microwave, various furnishings, wall mounted A/C and curtains/blinds. Current units will be upgraded with new kitchen and bathroom cabinetry, new vinyl plank flooring, interior paint, 2-burner electric stove top, refrigerator, and microwave furnishing. The units will also get new heating and cooling equipment. The property currently has a pool that will be removed for a new resident services/leasing building. Solar panels will be added to the project's roof area. The construction is expected to begin March 2021 and complete by June 2022. The financing of this project will result in the addition of 89 units of affordable housing for low-income households in the City of Santa Ana for 55 years.

### The City of Santa Ana:

The City of Santa Ana is a member of the CMFA and held a TEFRA hearing on February 12, 2021. Upon closing, the City is expected to receive approximately \$13,333 as part of the CMFA's sharing of Issuance Fees.

### Proposed Financing:

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$ 19,000,000	\$ 9,284,261
Taxable Bond Proceeds:	\$ 5,000,000	\$ 0
LIH Tax Credit Equity:	\$ 4,313,906	\$ 9,586,458
Deferred Developer Fee:	\$ 1,452,983	\$ 896,170
AHP Loan:	\$ 890,000	\$ 890,000
VHHP:	\$ 0	\$ 10,000,000
OCHFT:	\$ 2,292,920	\$ 2,292,920
General Partner Capital Contribution:	<u>\$ 1,687,047</u>	<u>\$ 1,687,047</u>
Total Sources:	\$ 34,636,856	\$ 34,636,856

Uses of Funds:	
Land Acquisition:	\$ 15,838,582
New Construction:	\$ 8,931,614
Contractor Overhead & Profit:	\$ 664,041
Architectural Fees:	\$ 750,000
Survey & Engineering:	\$ 190,000
Construction Financing Expenses:	\$ 2,333,407
Permanent Financing:	\$ 154,632
Legal and Professional Fees:	\$ 150,000
Reserves:	\$ 285,135
Appraisal:	\$ 7,000
Hard Cost Contingency:	\$ 946,259
Local Development Impact Fees:	\$ 529,417
Other Project Costs*:	\$ 1,418,657
Developer Costs:	<u>\$ 2,438,112</u>
Total Uses:	\$ 34,636,856

Terms of Transaction:

Amount:	\$30,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	March 2021

Public Benefit:

A total of 89 low-income households will be able to enjoy high quality, independent, affordable housing in the City of Santa Ana for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%  
100% (89 Units) restricted to 50% or less of area median income households.  
Unit Mix: Studio units.  
Term of Restriction: 55 years

Finance Team:

Lender:	JPMorgan Chase Bank, N.A.
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Fisher Broyles LLP
Borrower Counsel:	Rutan & Tucker, LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$30,000,000 for the North Harbor Village Apartments affordable multi-family housing facility located in the City of Santa Ana, Orange County, California.

\*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” they may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees

\*\*The information mandated by California Government Code Section 5852.1, including the true interest cost, finance charge, amount of proceeds received from the sale, and the total payment amount to final maturity is attached to this report.



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## **ECOLE BILINGUE SUMMARY AND RECOMMENDATIONS**

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Applicant:	Ecole Bilingue de Berkeley
Action:	Final Resolution
Amount:	\$12,000,000
Purpose:	Finance and Refinance the Acquisition, Construction, Improvement, Renovation, Furnishing and/or Equipping of Educational Facilities for the Ecole Bilingue, located in the City of Berkeley, Alameda County, California
Activity:	Private Education
Meeting:	February 26, 2021

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### Background:

Ecole Bilingue de Berkeley, an independent bilingual school dedicated to challenging, engaging, and nurturing preschool through eighth grade students. While many schools have wonderful programs, EB is a truly unique learning environment in which every aspect of our school has been specifically designed for dual-language learners. For over forty years, we have been teaching our students to confidently embrace the delights and challenges of an interconnected world by offering a curriculum designed to nurture creative and multilingual learners. Ecole serves approximately 395 students.

EB offers a full range of activities beyond the classroom. Students have the opportunity to participate in before and after school enrichment activities such as art, chess, choir, coding and programming, debate, Mandarin, martial arts, Minecraft, robotics, and various sports clinics. Middle School students can participate in team sports as part of the East Bay Independent Athletic League. In addition to their school-year program, they also offer a variety of summer programs that are open to students who do not regularly attend the school.

### The Project:

The 2021 Tax-Exempt loan proceeds will be used to: (1) prepay in full the outstanding balance of the up to \$11,350,000 ABAG Finance Authority for Nonprofit Corporations 2012 Tax Exempt



Loan (Ecole Bilingue) (the “2012 Loan”), issued pursuant to a Master Loan Agreement, dated as of April 1, 2012, by and among ABAG Finance Authority for Nonprofit Corporations (the “ABAG Authority”), the Borrower and First Republic Bank (the “Lender”), the proceeds of which were used by the Borrower to (A) refinance the Variable Rate Demand Revenue Bonds (Ecole Bilingue) Series 2009 (the “2009 Bonds”) issued by the ABAG Authority for the benefit of the Borrower for the purpose of financing and refinancing (i) the acquisition, construction, renovation, retrofitting and improvement of the Borrower’s educational and administrative facilities located at 1001, 1007, 1009, 1011, and 1023 Heinz Avenue, 2829, 2833 and 2839 Ninth Street, and 901 Grayson Street, all of which are located in Berkeley, California (collectively, the “2009 Projects”) and (ii) various costs of issuance, debt service reserves, capitalized interest, related working capital, credit enhancement fees and other costs related to the 2009 Bonds; (B) refinance certain outstanding indebtedness of the Borrower the proceeds of which were used to finance the acquisition of and improvements to certain educational facilities at 901 Grayson Street, Berkeley, California; (C) finance the costs of the acquisition of land and an existing warehouse facility located at 2821-2823 Ninth Street, Berkeley, California, the demolition of such warehouse facility and development of such land for use as an expanded playground facility and athletic facilities; (D) finance the costs of miscellaneous construction, renovation, improvement, demolition, capital maintenance, equipment acquisition and installation thereof and improvements of the facilities located at the aforementioned addresses; (E) pay capitalized interest on the 2012 Loan; (F) fund one or more reserve funds with respect to the 2012 Loan; and (G) pay certain costs of issuance of the 2012 Loan; and (2) pay certain costs relating to the execution and delivery of the Loan (collectively, the “Project”).

#### The County of Alameda:

The County of Alameda is a member of the CMFA and has been asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$2,833 as part of the CMFA’s sharing of Issuance Fees.

#### Proposed Financing:

##### Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 10,500,000
Taxable Bond Proceeds:	<u>\$ 1,500,000</u>
Total Sources:	\$ 12,000,000

##### Uses of Funds:

Refinance 2013 Bonds:	\$ 11,800,000
Cost of Issuance:	<u>\$ 200,000</u>
Total Uses:	\$ 12,000,000

#### Terms of Transaction:

Amount:	\$12,000,000
Maturity:	30 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	March 2021

Public Benefit:

Ecole serves approximately 375 students, with more than 60 nationalities represented in their school community. Their graduates have gone on to top high schools and colleges. A last count, their alumni have lived and worked in 55 countries worldwide. Ecole offered 40% of their students financial aid; the average aid is \$10,837.

Finance Team:

Lender:	First Republic Bank
Special Tax Counsel:	Hawkins Delafield & Wood LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	Hawkins Delafield & Wood LLP
Borrower Counsel:	Spaulding McCullough & Tansil LLP
Financial Advisor:	Western Solutions Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Final Resolution of \$12,000,000 for Ecole Bilingue located in the City of Berkeley, Alameda County, California.

\*The information mandated by California Government Code Section 5852.1, including the true interest cost, finance charge, amount of proceeds received from the sale, and the total payment amount to final maturity is attached to this report.



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## **PV400 COMMUNITY FACILITIES DISTRICT SUMMARY AND RECOMMENDATIONS**

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Applicant: Lennar Homes of California, Inc.

Action: Approval

Amount: \$143,000,000

Purpose: Approve Resolutions Initiating Formation of CMFA Community Facilities District No. 2021-6 (County of Placer – PV 400)

Activity: BOLD/ Community Facilities District

Meeting: February 26, 2021

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### Background and Resolutions:

The CMFA’s BOLD Program (“BOLD”) utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the “Act”) to raise revenues for the infrastructure needs of local agencies in California. The County of Placer (the “County”) is a member of the CMFA and a participant in BOLD. Lennar Homes of California, Inc., (the “Developer”) has submitted an application to the CMFA to use BOLD in relation to the Developer’s proposed development of certain property located in the County. The CMFA and the County have accepted such application.

The Developer has requested formation of a community facilities district, which will facilitate the future issuance of bonds by the CMFA under the program. Proceeds of bonds will primarily be used to finance public infrastructure facilities to be owned by the County.

As an initial step in using BOLD for the financing, the CMFA needs to form a community facilities district. The proposed community facilities district will be called California Municipal Finance Authority Community Facilities District No. 2021-6 (County of Placer – PV 400) (the “CFD”).

Under the Act, it is a requirement that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to form the CFD, stating the types of public facilities to be financed on behalf of the CFD, setting forth the rate and method of apportionment of a proposed special tax to be levied in the CFD, and establishing the boundary. A resolution meeting the requirements

of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Establish California Municipal Finance Authority Community Facilities District No. 2021-6 (County of Placer – PV 400), and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District (the “Resolution of Intention to Form CFD”).

It is also a requirement under the Act that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to issue bonds payable from the levy of a special tax within the CFD. A resolution meeting that requirement of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Incur a Bonded Indebtedness in and for the California Municipal Finance Authority Community Facilities District No. 2021-6 (County of Placer – PV 400) to Finance the Acquisition and Construction of Certain Public Facilities (the “Resolution of Intention to Incur Bonded Indebtedness”).

#### Additional Background

On June 5, 2020, the Board initially adopted a Resolution of Intention (Resolution No. 20-088) to form the District. After that meeting, changes were requested to the rate and method of apportionment to better accomplish the goals of the community facilities district. Additionally, as requested by the County and acknowledged by the Developer, any fees for the project that are deferred must be paid by January 1, 2035 and if necessary, bond proceeds generated by the community facilities district will be used to satisfy any such requirement. This action now by the CMFA Board provides for the desired changes to the proceedings to form the community facilities district by restating the Original Resolution of Intention in its entirety.

#### The Project:

Lennar Homes of California, Inc. is developing 399 gross acres within the County of Placer. PV 400 is proposed to be a gated community containing 1,117 single family detached age restricted lots and 168 HDR (High Density Residential) units. As part of the development, the developer will construct or cause to be constructed 23.30 acres of private parks (10 acres per 1,000 residents), with proposed clubhouse amenities, and class 1 bike trails.

The project is expected to be constructed in multiple phases, with the first phase including 315 units within Villages 1A and 1B.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$143,000,000 on behalf of the CFD and all improvement areas therein.

#### Development Status:

All entitlements have been acquired; the map is approved. Mass grading of the site began during the second quarter of 2019, and phase 1 backbone infrastructure was completed at the end of 2020. Lennar expects to have models built and begin sales of Phase 1 during the summer of 2021.

Pursuant to the conditions of approval for the tentative map and as required in the Development Agreement, 111 Affordable Housing Units are required. The HDR site located at Town Center and Placer Creek has available 168 HDR units, of which 111 will be affordable age restricted units. Currently it is anticipated to sell the site to an affordable housing developer to construct pursuant to the timeline required in the Development Agreement.

#### Authorized Facilities:

Funds from the issuance of bonds for the CFD will be used for the following authorized purposes:

Roadway and Transportation Improvements  
Water System Improvements  
Recycled Water System Improvements  
Drainage System Improvements  
Wastewater System Improvements  
Environmental Mitigation  
Park, Trails, Landscaping and Open Space Improvements

Potential park, trails, landscaping and open space improvements may include but are not limited to the following:

##### Parks:

- Community Parks
- Neighborhood Parks
- Pocket Parks

##### Trails:

- Multipurpose Trails
- Class 1 Trails

#### Impact Fees including:

- Placer Vineyards Specific Plan Fees ("PVSP Fee")
- South Placer Regional Transportation Authority ("SPRTA")
- Placer County Fire Facilities Impact Fee
- Placer County Capital Facilities Fee
- Placer County Sewer Facilities Fee
- Placer County In-Lieu Mitigation Fee

Authorized facilities also include Administrative and Incidental Expenses as well as authorized services.

#### Future Action:

Under the Act, at a future meeting of the CMFA Board of Directors, the Board of Directors will need to hold a public hearing and adopt additional resolutions formally creating the CFD, authorizing the incurrence of bonded indebtedness for the CFD, levying the special tax within the CFD, and certain other related matters. The PV 400 CFD will not be pooled with other CFDs, but will be sold in multiple series of bonds over time as the property develops.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Intention to Form the CFD and the Resolution of Intention to Incur Bonded Indebtedness in an amount not to exceed \$143,000,000.

## EXHIBIT A

### CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2020-6 (COUNTY OF PLACER – PV 400)

#### DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD

##### **Authorized Facilities**

The CFD 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. Roadway and Transportation Improvements**

Authorized facilities include any and all on-site and off-site publicly-owned roadway and transportation facilities required to meet the needs of development within the CFD. Eligible costs of these facilities include, but are not limited to, the following to the extent that they are capital costs of the facilities: Acquisition of land and easements; design; project management; payment and performance bond premiums; clearing, grubbing, and demolition; grading, soil import/export; paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; bridge crossings and culverts; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site); enhanced fencing, and access ramps; street lights; roundabouts; intersections, signalization, and traffic signal control systems; bus turnouts; signs and striping; winterization and erosion control; median and landscape corridor landscaping and irrigation; bus shelters; retaining walls; masonry walls; implementation and maintenance of SWPPP measures; traffic control and agency fees required as a condition of development within the boundaries of the CFD; and other improvements related thereto where required.

##### **II. Water System Improvements**

Authorized facilities include any and all on-site and off-site potable water system facilities designed to meet the needs of development within the CFD. Eligible costs of these facilities include, but are not limited to, the following to the extent that they are capital costs of the facilities: Acquisition of land and easements; design; project management; grading; implementation and maintenance of SWPPP measures; potable water storage, groundwater wells, storage tanks, distribution facilities including pipelines

and appurtenances, gate valves, flow meters, booster pump pressurization system, hardscape improvements (pavement), fencing, lighting at water storage tank sites, booster pumping stations, and groundwater wells; and other improvements related thereto.

### **III. Recycled Water System Improvements**

Authorized facilities include any and all on-site and off-site recycled water system facilities designed to meet the needs of development within the CFD. Eligible costs of these facilities include, but are not limited to, the following to the extent that they are capital costs of the facilities: Acquisition of land and easements; design; project management; grading; implementation and maintenance of SWPPP measures; recycled water storage, treatment and distribution facilities including pipelines and appurtenances, gate valves, storage tanks, flow meters, booster pump pressurization system, hardscape improvements (pavement), fencing, lighting at water storage tank sites, booster pumping stations, and groundwater wells; and other improvements related thereto.

### **IV. Drainage System Improvements**

Authorized facilities include any and all on-site and off-site publicly-owned drainage facilities required to meet the storage and conveyance needs of development within the CFD. Eligible costs of these facilities include, but are not limited to, the following to the extent that they are capital costs of the facilities: Acquisition of land and easements; design; project management; grading; implementation and maintenance of SWPPP measures; mains, pipelines and appurtenances; outfalls and water quality measures; temporary drainage facilities; detention/retention basins and drainage pretreatment facilities; drainage ways/channels; pump stations; landscaping and irrigation; access roads, gates, and fencing; striping and signage; and other improvements related thereto where required.

### **V. Wastewater System Improvements**

Authorized facilities include any and all on-site and off-site publicly-owned facilities required to meet the conveyance needs of development within the CFD. Eligible costs of these facilities include, but are not limited to, the following to the extent that they are capital costs of the facilities: Acquisition of land and easements; design; project management; grading; implementation and maintenance of SWPPP measures; pipelines and all appurtenances thereto; manholes; tie-in to existing main line; emergency storage for at lift station sites; force mains; lift stations; odor-control facilities; sewer treatment plant improvements; hardscape improvements (pavement), fencing, lighting at lift station sites; and other improvements related thereto where required.



## **VI. Environmental Mitigation**

Authorized facilities include any and all publicly-owned on-site and off-site environmental mitigation required for publicly-owned facilities required to meet the needs of development within the CFD. Eligible costs of these facilities include, but are not limited to, the following to the extent that they are costs of the facilities: land cover impacts, wetland area impacts (aquatic/wetland), wetland area impacts (riverine/riparian), wetland area impacts (vernal pools), in-stream impacts; and other improvements related thereto where required.

## **VII. Park, Trails, Landscaping and Open Space Improvements**

Authorized facilities include any and all on-site and off-site publicly-owned park, trail, landscaping and open space facilities required to meet the needs of development within the CFD. Eligible costs of these facilities include, but are not limited to, the following to the extent that they are capital costs of the facilities: Acquisition of land and easements; design; project management; grading; implementation and maintenance of SWPPP measures; turf and irrigation; trees and shrubs; sidewalks pathways and trails: masonry sound walls; sports fields, sport courts, playground equipment, picnic areas, benches, drinking fountain and bathrooms; maintenance roads; other related hard and soft-scape improvements along roadways and adjacent to or within parks, open space, drainage channels and detention basins; bike trails, bike/pedestrian bridges; storm drain crossings; publicly-owned improvements required for wetland mitigation, tree mitigation, off-site hawk mitigation, and/or agricultural mitigation; landscaping and irrigation, access gates and fencing and related open space improvements.

Potential park, trails, landscaping and open space improvements may include but are not limited to the following:

### **Parks**

- Community Parks
- Neighborhood Parks
- Pocket Parks

### **Trails**

- Multipurpose Trails
- Class 1 Trails

## **VIII. Fees**

The CFD may also finance any fees payable to the County (the "County") or South Placer Regional Transportation Authority ("SPRTA"), the proceeds of which will be used to fund all or a portion of the cost of any Facilities described above, or other public facilities with a useful life of five years or more for which the parcels within the CFD have a fair-share responsibility.

Potential fees may include but are not limited to the following:

- Placer Vineyards Specific Plan Fees (“PVSP Fee”)
- South Placer Regional Transportation Authority (“SPRTA”)
- Placer County Fire Facilities Impact Fee
- Placer County Capital Facilities Fee
- Placer County Sewer Facilities Fee
- Placer County In-Lieu Mitigation Fee

### **Authorized Services**

The services to be funded, in whole or in part, by the CFD include all direct and incidental costs related to providing public services and maintenance, operation, repair, or replacement of public infrastructure and facilities needed to serve the property described in the Placer Vineyards Specific Plan. More specifically, the services (“services” shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982) may include, but not be limited to:

1. Sheriff protection services
2. Fire protection and suppression services
3. Ambulance and paramedic services
4. Maintenance of roads and roadways, with services to include, but not be limited to, regularly scheduled street sweeping, repair of public streets, striping of streets, operation and maintenance of traffic signals and street lights, and repair and repainting of sound walls and other appurtenances
5. Storm protection services, including, but not limited to, the operation and maintenance, repair and replacement of storm drainage systems
6. Maintenance, repair, and replacement of parks and landscaping in public areas and in the public right of way along public streets and trails, including, but not limited to, irrigation, tree trimming, moving, hardscape and related equipment maintenance, and vegetation maintenance and control
7. Transit services, including, but not limited to, the operation and maintenance, repair, and replacement of transit facilities
8. Any other public services authorized to be funded under Section 53313 of the California Government Code that are not already funded by another community facilities district that includes all or a portion of the property within the CFD.

The CFD may fund any of the following related to the services described in the preceding paragraph:

1. Obtaining, construction, furnishing, operating, maintaining, repairing, and replacing equipment, apparatus, or facilities related to providing the services and/or equipment, apparatus, facilities, or fixtures in areas to be maintained

2. Paying the salaries and benefits, or consultant fees, of personnel necessary or convenient to provide the services
3. Payment of insurance costs and other related expenses
4. The funding of reserves for repair and replacements and for the future provision of services

The services to be financed by the CFD are in addition to those provided in the territory of the CFD before the date of formation of the CFD and will not supplant services already available within that territory when the CFD is created.

### **Administrative and Incidental Expenses**

In addition to the above facilities and services, other incidental expenses that may be financed by the CFD include but are not limited to the following: the cost of planning, permitting, approving and designing the authorized facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation); land acquisition and easement payments for authorized facilities; project management, construction staking; engineering studies and preparation of an engineer's report for the use of recycled water (if required); utility relocation and demolition costs incidental to the construction of the public facilities; and any other expenses incidental to the construction, completion, and inspection of the facilities and related expenses associated with any of the foregoing.

In addition, the CFD shall fund the direct and indirect expenses incurred by the California Municipal Finance Authority ("CMFA") and/or the County in carrying out its duties with respect to the CFD including, but not limited to:

1. The levy and collection of the special taxes
2. The fees and expenses of attorneys and consultants
3. Any fees related to the collection of special taxes
4. An allocable share of the salaries and benefits of any CMFA and County staff, or consultant fees, directly related thereto and a proportionate amount of CMFA's and the County's general administrative overhead related thereto
5. Any amounts paid by CMFA and the County with respect to the CFD or the services authorized to be financed by the CFD
6. Expenses incurred in undertaking action to foreclose on properties for which the payment of special taxes is delinquent
7. Administrative fees of CMFA and the County and the bond trustee or fiscal agent related to the CFD and the bonds issued by or for the CFD
8. Costs related to the formation of the CFD
9. Reimbursement of costs related to the formation of the CFD advanced by CMFA and the County, the landowner(s) in the CFD or any party related to any of the foregoing, as well as reimbursement of any costs advanced by CMFA and the County, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD

10. Costs related to the issuance of bonds by or for the CFD, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, fees and expenses of bond counsel, disclosure counsel, special tax consultant, municipal advisor and appraiser, bond remarketing costs, and all other incidental expenses
11. All other costs and expenses of CMFA or the County in any way related to the CFD.

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2020-6  
(COUNTY OF PLACER – PV 400)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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A Special Tax applicable to each Assessor's Parcel in the California Municipal Finance Authority Community Facilities District No. 2020-6 (County of Placer – PV 400) shall be levied and collected according to the tax liability determined by the Board 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 G 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 is adopted for the annexation area.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** 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 parcel map recorded at the County Recorder's Office.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of CMFA in carrying out its duties with respect to the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for CMFA and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of CMFA and the County in any way related to the establishment or administration of the CFD.

**“Administrator”** shall mean the person or firm designated by CMFA to administer the Special Tax according to this RMA.

**“Affordable Housing Unit”** means any Residential Unit on a Parcel for which a deed restriction has been recorded on title of the property that limits the rental rate or sales price or otherwise restricts the affordability of the Residential Unit or income of its occupants. It is incumbent upon the builder, developer, or property owner to make the Administrator aware of such deed

restriction. Residential Units on Welfare Exemption Property shall be categorized as Welfare Exemption Property for purposes of this RMA, not as Affordable Housing Units.

**“Assessor’s Parcel” or “Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

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

**“Authorized Facilities”** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**“Authorized Services”** means the public services authorized to be financed, in whole or in part, by the CFD.

**“Average Sales Price”** means, for any Lot Category or for SFA Units within a particular Tax Zone, the weighted average sales price for all SFD Units within such Lot Category or for all SFA Units within the Tax Zone that have sold within the last 18 months or are expected to sell in a normal marketing environment, and shall not include prices for such Residential Units that are sold at a discount for the purpose of stimulating initial sales activity. The sales price shall include the actual sales price of the Residential Units that have sold in the past 18 months including, but not limited to, options, upgrades, and premiums.

**“Base Facilities Special Tax”** means, for any Land Use Category, the applicable Facilities Special Tax initially identified in Table 1 of Section C, as may be adjusted pursuant to Sections D and H herein.

**“Board”** means the Board of Directors of CMFA.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or scheduled to be issued to fund Authorized Facilities.

**“Building Permit”** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

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

**“CFD”** means the California Municipal Finance Authority Community Facilities District No. 2020-6 (County of Placer – PV 400).

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

**“CMFA”** means the California Municipal Finance Authority.

**“County”** means the County of Placer.

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

**“Development Class”** means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**“Exempt Affordable Housing Units”** means those Residential Units built on the geographic area that was, in Fiscal Year 2021-22 identified as Assessor’s Parcel number 023-042-007, unless the Affordable Housing Units that had been expected on such Parcel are moved to another Parcel within the CFD, as determined by the County, at which time the exemption may also be transferred to the new Parcel if such transfer is approved by the County.

**“Expected Land Uses”** means: (i) the number of and Lot Category assignment for SFD Units, (ii) the number of SFA Units, and (iii) the acreage of Other Property expected within the CFD at CFD Formation, as identified in Attachments 1 and 2 of this RMA. Pursuant to Section D herein, the Administrator shall update Attachment 2 each time there is a Land Use Change; there is no requirement for the updated Attachment 2 to be recorded.

**“Expected Maximum Facilities Special Tax Revenues”** means the aggregate Special Tax that can be levied based on application of the Base Facilities Special Tax to the Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues at CFD Formation are shown in Attachment 2 and may be revised pursuant to Sections D and H herein.

**“Facilities Special Tax”** means a special tax levied in any Fiscal Year to pay the Facilities Special Tax Requirement.

**“Facilities Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Facilities Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Facilities Special Tax levied on Final Map Property or Undeveloped Property. The amounts referred to in clauses (i) and (ii) above may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of CMFA, proceeds received from the CFD from the collection of penalties associated with delinquent Facilities Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the discretion of the Administrator.

**“Final Map”** means a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates SFD Lots. The term “Final Map” shall not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

**“Final Map Property”** means, in any Fiscal Year, all SFD Lots created within Final Maps that had recorded prior to June 30 of the preceding Fiscal Year and which have not yet become Developed 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 Parcels in the CFD.

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

**“Improvement Fund”** means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities or to pay eligible impact fees.

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

**“Land Use Category”** means the categories of land use identified in Tables 1 and 2 in Section C herein.

**“Land Use Change”** means a proposed or approved change to the Expected Land Uses after CFD Formation, including changes to the Lot Category designation for SFD Lots.

**“Lot Category”** means, individually, Lot Category A, Lot Category B, and Lot Category C.

**“Lot Category A”** includes SFD Lots that fall within an average 45’x105’ lot size category. SFD Lots designated as Lot Category A are identified in Attachment 1 to this RMA. Changes to such designation shall be considered a Land Use Change, and the Administrator shall apply Section D herein each time such a Land Use Change occurs.

**“Lot Category B”** includes SFD Lots that fall within an average 55’x105’ lot size category. SFD Lots designated as Lot Category B are identified in Attachment 1 to this RMA. Changes to such designation shall be considered a Land Use Change, and the Administrator shall apply Section D herein each time such a Land Use Change occurs.

**“Lot Category C”** includes SFD Lots that fall within an average 6q’x105’ lot size category. SFD Lots designated as Lot Category C are identified in Attachment 1 to this RMA. Changes to such designation shall be considered a Land Use Change, and the Administrator shall apply Section D herein each time such a Land Use Change occurs.



**“Major Property Owner”** means, in any Fiscal Year, any owner of property in a Tax Zone within the CFD that is responsible for fifty percent (50%) or more of the total Special Tax obligation within that Tax Zone in that Fiscal Year, as determined by the Administrator.

**“Market Rate Unit”** means a Residential Unit that is not an Affordable Housing Unit.

**“Maximum Facilities Special Tax”** means the greatest amount of Facilities Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Sections C, D, and H herein.

**“Maximum Services Special Tax”** means the greatest amount of Services Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Sections C and D herein.

**“Maximum Special Tax”** means, prior to the Transition Event, the Maximum Facilities Special Tax and, after the Transition Event, the Maximum Services Special Tax.

**“Other Property”** means any Parcel of Developed Property in the CFD that does not fit within the definition of Single Family Detached Property, Single Family Attached Property, Taxable Public Property, Taxable Owners Association Property, or Taxable Welfare Exemption Property.

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

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

**“Price Point Consultant”** means any consultant or firm selected by CMFA that: (a) has substantial experience in performing price point studies for Residential Units within community facilities districts or otherwise estimating or confirming pricing for Residential Units in community facilities districts; (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts; (c) is independent and not under the control of CMFA or any developer of Parcels in the CFD; (d) does not have any substantial interest, direct or indirect, with or in: (i) the CFD, (ii) the County, or (iii) any owner of real property in the CFD; and (e) is not connected with CMFA or the County as an officer or employee thereof, but who may be regularly retained to make reports to CMFA or the County.

**“Price Point Study”** means a price point study or letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section D herein. The price point study shall analyze Residential Units with similar density, lot sizes, square footage ranges, and product type as the Residential Units included in the CFD. Major Property Owners in the CFD will be provided the opportunity to review and comment on the draft price point study before a final version is presented to CMFA.

**“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 boundaries of the CFD that is owned by the County, federal government, State of California, or other public agency.

**“Required Coverage”** means the amount by which the Expected Maximum Facilities Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**“Residential Unit”** means an SFD Unit or an individual residential unit within a duplex, halfplex, triplex, fourplex, townhome, live/work or condominium structure. A second unit (granny flat) that shares a Parcel with an SFD Unit shall not be considered a Residential Unit for purposes of levying the Special Tax.

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

**“Services Special Tax”** means a special tax levied in any Fiscal Year after the Transition Event to pay the Services Special Tax Requirement.

**“Services Special Tax Requirement”** means the amount of revenue needed in any Fiscal Year to pay for: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure delinquencies in the payment of Services Special Taxes which have occurred in the prior Fiscal Year. In any Fiscal Year, the Services Special Tax Requirement shall be reduced by surplus amounts available (as determined by the County) from the levy of the Services Special Tax in prior Fiscal Years, including revenues from collection of delinquent Services Special Taxes and associated penalties and interest.

**“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 an SFD Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved Tentative Map.

**“SFA Unit”** means an individual Residential Unit on a Parcel of Single Family Attached Property.

**“SFD Unit”** means a residential dwelling unit that does not share a common wall with another residential dwelling unit.

**“Single Family Attached Property”** means, in any Fiscal Year, all 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 a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Residential Units are purchased and subsequently offered for rent by the owner),

including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 4125.

**“Single Family Detached Property”** means, in any Fiscal Year, all Parcels of Developed Property for which a Building Permit was issued for construction of an SFD Unit.

**“Special Tax”** means, prior to the Transition Event, the Facilities Special Tax and, after the Transition Event, the Services Special Tax.

**“Tax Zone”** means a mutually exclusive geographic area within which Special Taxes may be levied pursuant to this RMA. If, in any Fiscal Year, there is any doubt as to the Tax Zone within which a Parcel is located, the Administrator shall work with the County to make the final determination.

**“Tax Zone 1”** means that geographic area designated as Tax Zone 1 in Attachment 1.

**“Tax Zone 2”** means that geographic area designated as Tax Zone 2 in Attachment 1.

**“Tax Zone 3”** means that geographic area designated as Tax Zone 3 in Attachment 1.

**“Tax Zone 4”** means that geographic area designated as Tax Zone 4 in Attachment 1.

**“Tax Zone 5”** means that geographic area designated as Tax Zone 5 in Attachment 1.

**“Taxable Owners Association Property”** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Sections D and H below), the Parcel was not anticipated to be Owners Association Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Facilities Special Tax because it is Owners Association Property, the Expected Maximum Facilities Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**“Taxable Property”** means all of the Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section G herein.

**“Taxable Public Property”** means in any Fiscal Year after the First Bond Sale, any Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Sections D and H herein), the Parcel was not anticipated to be Public Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Facilities Special Tax because it is Public Property, the Expected Maximum Facilities Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**“Taxable Welfare Exemption Property”** means in any Fiscal Year after the First Bond Sale, any Parcel of Welfare Exemption Property that satisfies all three of the following conditions: (i) the Parcel had not been Welfare Exemption Property on the date of issuance of the First Bond

Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D herein), the Parcel was not anticipated to be Welfare Exemption Property based on the Expected Land Uses, as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it has become Welfare Exemption Property, the Expected Maximum Facilities Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**“Tentative Map”** means a tentative map or substantial conformance exhibit for property in the CFD, including any adjustments or amendments thereto.

**“Total Tax Burden”** means, for any Lot Category within any Tax Zone, the Special Tax for such Lot Category, together with ad valorem property taxes, special assessments, special taxes for any overlapping community facilities districts, or any other taxes, fees and charges which would be collected by the County on property tax bills for a Residential Unit with an assessed value equal to the Average Sales Price, and which are payable from and secured by the property assuming such Residential Unit had been completed, sold, and subject to such levies and impositions, excluding service charges such as sewer and trash, and voluntary assessments such as those associated with a Property Assessed Clean Energy program.

**“Transition Event”** shall be deemed to have occurred when the Administrator determines that the following events have occurred: (i) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, or there are sufficient revenues available to fully repay the Bonds in funds and accounts that, pursuant to the Indenture, will require such revenues to be applied to repay the Bonds; (ii) all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to CMFA or the County; and (iii) there are no other Authorized Facilities that CMFA or the County intends to fund, including any remaining unpaid Tier II Fees, with Bonds and Facilities Special Taxes.

**“Transition Year”** means the first Fiscal Year in which the Administrator determines that the Transition Event occurred in the prior Fiscal Year.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Final Map Property, Developed Property, Taxable Public Property, or Taxable Owners Association Property as defined herein.

**“Welfare Exemption Property”** means, in any Fiscal Year, any Parcels in the CFD that have received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code and for which such welfare exemption is still in place.

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

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Tax Zone and the appropriate Development Class; (ii) for Developed Property, categorize each Parcel as Single Family Detached Property, Single Family Attached Property, or Other Property; (iii) for Single Family Detached Property, determine the Lot Category for each SFD Unit; (iv) for Single Family Attached Property, determine the number of SFA Units on each Parcel; (v) for Other Property, determine the Acreage of each Parcel; and (vi) determine the

Facilities Special Tax Requirement or Services Special Tax Requirement for the Fiscal Year, as applicable. In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Final Maps, and Building Permits to determine if there are any proposed Land Use Changes that would change the Expected Maximum Facilities Special Tax Revenues. If the Expected Maximum Facilities Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D herein.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

**C. MAXIMUM SPECIAL TAX**

**1. *Developed Property***

**a. **Facilities Special Tax****

The Maximum Facilities Special Tax for a Parcel of Developed Property in a particular Tax Zone is the greater of: (i) the Base Facilities Special Tax for that Tax Zone as set forth in Table 1 below, or (ii) the Maximum Facilities Special Tax determined pursuant to Section D.

**Table 1**  
**Base Facilities Special Tax**  
**Developed Property**

<b>Land Use Category</b>	<b>Lot Category</b>	<b>Base Facilities Special Tax Before Transition Year (in Fiscal Year 2020-21 \$)*</b>	<b>Base Facilities Special Tax In and After Transition Year (in Fiscal Year 2020-21 \$)*</b>
<b>Tax Zone 1</b>			
Single Family Detached Property	Lot Category A	\$900 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category B	\$1,250 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category C	\$1,600 per Residential Unit	\$0 per Residential Unit
Single Family Attached Property	N/A	\$900 per Residential Unit	\$0 per Residential Unit
Other Property	N/A	\$8,431 per Acre	\$0 per Acre
<b>Tax Zone 2</b>			
Single Family Detached Property	Lot Category A	\$1,300 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category B	\$1,675 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category C	\$2,100 per Residential Unit	\$0 per Residential Unit
Single Family Attached Property	N/A	\$1,300 per Residential Unit	\$0 per Residential Unit
Other Property	N/A	\$10,928 per Acre	\$0 per Acre
<b>Tax Zone 3</b>			
Single Family Detached Property	Lot Category A	\$1,400 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category B	\$1,850 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category C	\$2,300 per Residential Unit	\$0 per Residential Unit
Single Family Attached Property	N/A	\$1,400 per Residential Unit	\$0 per Residential Unit
Other Property	N/A	\$12,501 per Acre	\$0 per Acre
<b>Tax Zone 4</b>			
Single Family Detached Property	Lot Category A	\$1,500 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category B	\$1,950 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category C	\$2,400 per Residential Unit	\$0 per Residential Unit
Single Family Attached Property	N/A	\$1,500 per Residential Unit	\$0 per Residential Unit
Other Property	N/A	\$13,191 per Acre	\$0 per Acre
<b>Tax Zone 5</b>			
Single Family Detached Property	Lot Category A	\$1,600 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category B	\$2,050 per Residential Unit	\$0 per Residential Unit
Single Family Detached Property	Lot Category C	\$2,550 per Residential Unit	\$0 per Residential Unit
Single Family Attached Property	N/A	\$1,600 per Residential Unit	\$0 per Residential Unit
Other Property	N/A	\$14,308 per Acre	\$0 per Acre

**\* The Base Facilities Special Taxes shown above shall be escalated as set forth in Section D.1.**

Once a Facilities Special Tax has been levied on a Parcel of Developed Property, the Maximum Facilities Special Tax applicable to that Parcel shall not be reduced in future Fiscal Years regardless of changes in land use on the Parcel, except in the event of a partial prepayment pursuant to Section H herein.

**b. Services Special Tax**

Table 2 below identifies the Maximum Services Special Tax for Developed Property in each Tax Zone in the CFD.

**Table 2**  
**Maximum Services Special Tax**  
**Developed Property**

<b>Land Use Category</b>	<b>Lot Category</b>	<b>Maximum Services Special Tax Before Transition Year (in Fiscal Year 2020-21 \$)*</b>	<b>Maximum Services Special Tax In and After Transition Year (in Fiscal Year 2020-21 \$)*</b>
<b>Tax Zone 1</b>			
Single Family Detached Property	Lot Category A	\$0 per Residential Unit	\$450 per Residential Unit
Single Family Detached Property	Lot Category B	\$0 per Residential Unit	\$625 per Residential Unit
Single Family Detached Property	Lot Category C	\$0 per Residential Unit	\$800 per Residential Unit
Single Family Attached Property	N/A	\$0 per Residential Unit	\$450 per Residential Unit
Other Property	N/A	\$0 per Acre	\$4,215 per Acre
<b>Tax Zone 2</b>			
Single Family Detached Property	Lot Category A	\$0 per Residential Unit	\$650 per Residential Unit
Single Family Detached Property	Lot Category B	\$0 per Residential Unit	\$838 per Residential Unit
Single Family Detached Property	Lot Category C	\$0 per Residential Unit	\$1,050 per Residential Unit
Single Family Attached Property	N/A	\$0 per Residential Unit	\$650 per Residential Unit
Other Property	N/A	\$0 per Acre	\$5,464 per Acre
<b>Tax Zone 3</b>			
Single Family Detached Property	Lot Category A	\$0 per Residential Unit	\$700 per Residential Unit
Single Family Detached Property	Lot Category B	\$0 per Residential Unit	\$925 per Residential Unit
Single Family Detached Property	Lot Category C	\$0 per Residential Unit	\$1,150 per Residential Unit
Single Family Attached Property	N/A	\$0 per Residential Unit	\$700 per Residential Unit
Other Property	N/A	\$0 per Acre	\$6,250 per Acre
<b>Tax Zone 4</b>			
Single Family Detached Property	Lot Category A	\$0 per Residential Unit	\$750 per Residential Unit
Single Family Detached Property	Lot Category B	\$0 per Residential Unit	\$975 per Residential Unit
Single Family Detached Property	Lot Category C	\$0 per Residential Unit	\$1,200 per Residential Unit
Single Family Attached Property	N/A	\$0 per Residential Unit	\$750 per Residential Unit
Other Property	N/A	\$0 per Acre	\$6,596 per Acre
<b>Tax Zone 5</b>			
Single Family Detached Property	Lot Category A	\$0 per Residential Unit	\$800 per Residential Unit
Single Family Detached Property	Lot Category B	\$0 per Residential Unit	\$1,025 per Residential Unit
Single Family Detached Property	Lot Category C	\$0 per Residential Unit	\$1,275 per Residential Unit
Single Family Attached Property	N/A	\$0 per Residential Unit	\$800 per Residential Unit
Other Property	N/A	\$0 per Acre	\$7,154 per Acre

**\* The Maximum Services Special Taxes shown above shall be escalated as set forth in Section D.2.**

## 2. *Final Map Property*

In any Fiscal Year, the Administrator shall apply the following steps to determine the Maximum Facilities Special Tax for each Parcel of Final Map Property. No Services Special Tax shall be levied on Final Map Property.

**Step 1:** Identify the Tax Zone in which the Parcel is located.

**Step 2:** Identify the Lot Category to which the Parcel has been assigned.

**Step 3:** By reference to Table 1 in Section C.1 above, identify the Maximum Facilities Special Tax for a Residential Unit in the Lot Category determined in Step 2 within the Tax Zone determined in Step 1, which shall also be the Maximum Facilities Special Tax for the Parcel of Final Map Property.

3. *Undeveloped Property, Taxable Owners Association Property, Taxable Public Property, and Taxable Welfare Exemption Property*

**a. Facilities Special Tax**

Prior to the Transition Year, the Maximum Facilities Special Tax for Undeveloped Property, Taxable Owners Association Property, Taxable Public Property, and Taxable Welfare Exemption Property in Fiscal Year 2020-21 is set forth in the table below.

**Table 3**  
**Maximum Facilities Special Tax**  
**Undeveloped Property, Taxable Owners Association Property,**  
**Taxable Public Property, and Taxable Welfare Exemption Property**

<b>Tax Zone</b>	<b>Maximum Facilities Special Tax Before Transition Year (in Fiscal Year 2020-21 \$)*</b>	<b>Maximum Facilities Special Tax In and After Transition Year (in Fiscal Year 2020-21 \$)*</b>
1	\$8,431 per Acre	\$0 per Acre
2	\$10,928 per Acre	\$0 per Acre
3	\$12,501 per Acre	\$0 per Acre
4	\$13,191 per Acre	\$0 per Acre
5	\$14,308 per Acre	\$0 per Acre

\* The Maximum Facilities Special Taxes shown above shall be escalated as set forth in Section D.1.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Undeveloped Property, Taxable Owners Association Property, Taxable Public Property, or Taxable Welfare Exemption Property in the CFD, unless there are delinquent Facilities Special Taxes, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

**b. Services Special Tax**

No Services Special Tax shall be levied on Undeveloped Property, Taxable Owners Association Property, Taxable Public Property, or Taxable Welfare Exemption Property.



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

### *1. Annual Escalation of Facilities Special Tax*

Beginning July 1, 2021 and each July 1 thereafter, the Base Facilities Special Taxes in Table 1, the Expected Maximum Facilities Special Tax Revenues in Attachment 2, the Maximum Facilities Special Taxes in Table 3, and the Maximum Facilities Special Tax assigned to each Parcel in the CFD shall be increased by 2% of the amount in effect in the prior Fiscal Year.

### *2. Annual Escalation of Services Special Tax*

Beginning July 1, 2021 and each July 1 thereafter until the Transition Year, the Services Special Taxes in Table 2 shall be increased by 2.0% of the amount in effect in the prior Fiscal Year. On July 1 of the Transition Year and each July 1 thereafter, the Services Special Taxes and the Maximum Services Special Tax assigned to each Parcel shall be escalated by 4.0% of the amount in effect in the prior Fiscal Year.

### *3. Land Use Changes*

The Expected Maximum Facilities Special Tax Revenues shown in Attachment 2 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is 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 Facilities Special Tax Revenues.

**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 Facilities Special Tax Revenues, no action will be needed pursuant to this Section D. Upon approval of the Land Use Change, the Administrator shall update Attachment 2 to show the revised Expected Maximum Facilities Special Tax Revenues.

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

- Step 1:** By reference to Attachment 2 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Facilities Special Tax Revenues prior to the Land Use Change.
- Step 2:** The Administrator shall calculate the Expected Maximum Facilities Special Tax Revenues that could be collected from Taxable Property in the CFD after the Land Use Change based on application of the Base Facilities Special Taxes from Table 1.
- Step 3:** If the revenues calculated in Step 2 are (i) higher than those determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Facilities 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 2 to show the revised Expected Maximum Facilities 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 Facilities 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 Facilities Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H herein. 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 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 by the due date specified above, the Base Facilities Special Tax used to determine the Maximum Facilities Special Tax for each Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Facilities Special Tax Revenues are sufficient to maintain Required Coverage.

Pursuant to this Section D.3, the Administrator may from time to time update Attachment 2 to reflect revised Expected Maximum Facilities Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

If multiple Land Use Changes are proposed simultaneously by a single Requesting Landowner (which may include approval of multiple Final Maps at one time), and the Requesting Landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Facilities Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no prepayment has been received, then the Base Facilities Special Tax used to determine the Maximum Facilities Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes shall be increased proportionately until the aggregate amount that can be levied within such areas 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 Requesting Landowners, or if an individual Requesting Landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, 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 a Parcel, the Maximum Facilities Special Tax for the Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Parcel is located.

The duties imposed on the Administrator pursuant to this Section D to review Land Use Changes, and to review Final Maps and make certain calculations, are intended only to facilitate the administration of the Facilities 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 Facilities Special Tax applicable to a 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 Facilities Special Tax applicable to such property.

## *2. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H herein, the Administrator shall recalculate the Maximum Facilities Special Tax for the Parcel pursuant to Section H. In addition, the Administrator shall update Attachment 2 to reflect the prepayment and the revised Expected Maximum Facilities Special Tax Revenues for the CFD. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Facilities Special Tax Revenues after the prepayment.

## *3. Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Facilities Special Tax for each such Parcel shall be determined based on the applicable Base Facilities Special Tax for the Parcel, as determined by the Administrator.

## *4. Affordable Housing Unit/Market Rate Unit Transfers*

If, in any Fiscal Year, the Administrator determines that a Residential Unit that had previously been designated as an Exempt Affordable Housing Unit no longer qualifies as such, the Residential Unit shall be assigned a Maximum Special Tax, as determined by the Administrator and the County, and be subject to the Maximum Special Tax similar to Market Rate Units in the same product type. If a Market Rate Unit becomes an Affordable Housing Unit, the Maximum Facilities Special Tax on such Residential Unit shall not be decreased unless the Administrator can confirm that such reduction in the Expected Maximum Facilities Special Tax Revenues will not result in less than the Required Coverage.

## *5. Reduction in Maximum Facilities Special Tax*

The Base Facilities Special Taxes for Residential Units in Tax Zone 1 may be proportionately or disproportionately reduced once prior to the First Bond Sale. In Tax Zone 2, 3, 4, or 5, the Base Facilities Special Taxes for Residential Units may be proportionately or disproportionately reduced once prior to recordation of the first Final Map within that Tax Zone. Such a reduction in any Tax Zone shall be made without a vote of the qualified CFD electors if either of the

following occur: (i) a Major Property Owner within the Tax Zone requests a reduction in the Base Facilities Special Tax, or (ii) CMFA makes a determination that the Total Tax Burden on Residential Units may, without a reduction in the Base Facilities Special Tax, exceed a Total Tax Burden of 1.80% of the Average Sales Price for SFD Units or SFA Units in that Tax Zone.

Upon such determination by CMFA and prior to: (i) in Tax Zone 1, the First Bond Sale, or (ii) in Tax Zone 2, 3, 4, or 5, recordation of the first Final Map, CMFA shall hire a Price Point Consultant to prepare a Price Point Study setting forth the Average Sales Price for SFD Units within each Lot Category and for SFA Units. If, based on the Price Point Study, the Administrator calculates that the Total Tax Burden for any category of Residential Unit will exceed 1.80% of the Average Sales Price for such category of Residential Unit, the Administrator and CMFA shall meet with the Major Property Owners in the subject Tax Zone to discuss the findings. If CMFA determines that the Total Tax Burden is likely to exceed 1.80% of a particular Lot Category or for SFA Units in a particular Tax Zone, the Administrator shall reduce the Base Facilities Special Tax on such Lot Category or for SFA Units to the point at which the Total Tax Burden is equal to 1.80% of the Average Sales Price, unless such reduction is waived in writing by the County Executive Officer. Any such reduction shall occur: (i) in Tax Zone 1, at least 30 days prior to the First Bond Sale, or (ii) in Tax Zone 2, 3, 4, or 5, prior to recordation of the first Final Map in that Tax Zone.

The Base Facilities Special Tax reduction in each Lot Category and for SFA Units shall be calculated separately, and it is not required that such reduction, or any reduction requested by Major Property Owners in a Tax Zone, be proportionate among Lot Categories and SFA Units. The Base Facilities Special Tax reductions permitted pursuant to this paragraph shall be reflected in an Amended Notice of Special Tax Lien, which the Administrator shall cause to be recorded. If, based on the Price Point Study, the Administrator determines that the Total Tax Burden applicable to a Lot Category or to SFA Units will not exceed 1.80% of the Average Sales Price for such Lot Category or for SFA Units, then there shall be no change in the Base Facilities Special Tax for such Lot Category or for SFA Units unless so requested by the Major Property Owners within the subject Tax Zone.

If the Base Facilities Special Tax is reduced for a Parcel in the CFD pursuant to this Section D.5, the Maximum Services Special Tax for such Parcel shall also be reduced so that the Maximum Services Special Tax assigned to the Parcel is equal to fifty percent (50%) of the Base Facilities Special Tax for the Parcel.

## **E. METHOD OF LEVY OF THE SPECIAL TAX**

### ***1. Facilities Special Tax***

Each Fiscal Year up until the Transition Year, the Administrator shall determine the Facilities Special Tax Requirement to be collected in that Fiscal Year. A Facilities Special Tax shall then be levied according to the following steps:

- Step 1:** The Facilities Special Tax shall be levied Proportionately on all Parcels of Developed Property within all Tax Zones up to 100% of the Maximum Facilities Special Tax for each Parcel of Developed Property until the amount levied is

equal to the Facilities Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.

- Step 2:** If additional revenue is needed after Step 1 in order to meet the Facilities Special Tax Requirement after Capitalized Interest has been applied to reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on all Parcels of Final Map Property in all Tax Zones up to 100% of the Maximum Facilities Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Facilities Special Tax Requirement.
- Step 3:** If additional revenue is needed after Step 2, the Facilities Special Tax shall be levied Proportionately on all Parcels of Undeveloped Property in all Tax Zones within which Developed Property and/or Final Map Property is being taxed pursuant to Steps 1 and/or 2 above, up to 100% of the Maximum Facilities Special Tax for each Parcel of Undeveloped Property in such Tax Zones until the amount levied is equal to the Facilities Special Tax Requirement.
- Step 4:** If additional revenue is needed after Step 3, the Facilities Special Tax shall be levied Proportionately on all Parcels of Undeveloped Property in all Tax Zones within which no Developed Property and/or Final Map Property is being taxed pursuant to Steps 1 and/or 2 above, up to 100% of the Maximum Facilities Special Tax for each Parcel of Undeveloped Property in such Tax Zones until the amount levied is equal to the Facilities Special Tax Requirement.
- Step 5:** If additional revenue is needed after Step 4, the Facilities Special Tax shall be levied Proportionately on each Parcel of Taxable Welfare Exemption Property, up to 100% of the Maximum Facilities Special Tax for each Parcel of Taxable Welfare Exemption Property for such Fiscal Year until the amount levied is equal to the Facilities Special Tax Requirement.
- Step 6:** If additional revenue is needed after Step 5, the Facilities Special Tax shall be levied Proportionately on all Parcels of Taxable Owners Association Property in all Tax Zones, up to 100% of the Maximum Facilities Special Tax for each Parcel of Taxable Owners Association Property until the amount levied is equal to the Facilities Special Tax Requirement.
- Step 7:** If additional revenue is needed after Step 6, the Facilities Special Tax shall be levied Proportionately on all Parcels of Taxable Public Property in all Tax Zones, up to 100% of the Maximum Facilities Special Tax for each Parcel of Taxable Public Property until the amount levied is equal to the Facilities Special Tax Requirement.

## *2. Services Special Tax*

Beginning in the Transition Year and each Fiscal Year thereafter, the Administrator shall determine the Services Special Tax Requirement and the Services Special Tax shall be levied Proportionately on all Parcels of Developed Property in all Tax Zones up to 100% of the Maximum Services Special Tax for each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement.

## **F. MANNER OF COLLECTION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that partial prepayments are permitted as set forth in Section H and provided further that CMFA may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Facilities Special Tax shall be levied and collected until the earlier of (i) the Transition Year, or (ii) Fiscal Year 2092-93. Under no circumstances may the Facilities Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Facilities Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. After the Transition Year, the Services Special Tax may be levied and collected for as long as the County provides Authorized Services.

## **G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

- (i) Public Property, except Taxable Public Property.
- (ii) Owners Association Property, except Taxable Owners Association Property.
- (iii) Welfare Exemption Property, except Taxable Welfare Exemption Property.
- (iv) Exempt Affordable Housing Units
- (v) Parcels that are owned by a public utility for an unmanned facility.
- (vi) Parcels that are subject to an easement that precludes any other use on the Parcel.

Notwithstanding the foregoing, if a Maximum Facilities Special Tax was assigned to a Parcel, and the entire Parcel meets the criteria in (iii), (iv) or (v) above, the Parcel shall remain subject to the levy of the Facilities Special Tax, unless: (a) the First Bond Sale has yet to occur, or (ii) the Administrator determines that, if such Parcel becomes exempt from the Facilities Special Tax, the corresponding reduction in the Expected Maximum Facilities Special Tax Revenues would not reduce debt service coverage on outstanding Bonds below the Required Coverage. In either case, such property shall be categorized as Public Property, and the Administrator shall recalculate the Expected Maximum Facilities Special Tax Revenues to reflect the corresponding loss in revenues.

## **H. PARTIAL PREPAYMENT OF FACILITIES SPECIAL TAX**

The following definitions apply to this Section H:

**“Outstanding Bonds”** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Facilities Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Facilities 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), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

**“Public Facilities Requirement”** means either \$33 million in 2021 dollars, which shall increase on January 1, 2022 and on each January 1 thereafter by 2% of the amount in effect in the prior year, or such other number as shall be determined by CMFA as sufficient to fund improvements that are authorized to be funded by the CFD. The Public Facilities Requirement shown above may be adjusted each time property annexes into the CFD or there is an adjustment to the Expected Maximum Facilities Special Tax Revenues due to a Land Use Change or a reduction in the Maximum Facilities Special Tax in any Tax Zone pursuant to Section D.5 herein; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Facilities Special Tax Revenues, as determined by the Administrator.

**“Remaining Facilities Costs”** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity, and any other source of funding.

A property owner may prepay up to 50% of the Facilities Special Tax obligation applicable to a Parcel, thereby reducing the Maximum Facilities Special Tax applicable to the Parcel, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay a portion of the Facilities Special Tax obligation shall provide CMFA with (i) written notice of intent to prepay, which shall identify the percentage of the Maximum Facilities Special Tax that is to be prepaid, (ii) payment of fees established by CMFA to process the prepayment request, and (iii) written evidence that there are no delinquent Special Taxes against the Parcel. Within 30 days of receipt of such written notice, CMFA or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 50 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Facilities Special Taxes. Under no circumstance shall a prepayment be allowed that would reduce debt service coverage below the Required Coverage.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the amount that could be collected from the Parcel prepaying the Facilities Special Tax in the Fiscal Year in which prepayment would be received by CMFA by applying the applicable Base Facilities Special Tax to the Expected Land Uses for the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Facilities Special Tax Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.
- Step 2.** Divide the Maximum Facilities Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Facilities Special Tax Revenues for all property in the CFD, as shown in Attachment 2 and as adjusted by the Administrator pursuant to this RMA.
- Step 3.** Multiply the quotient computed in Step 2 by the percentage of the Maximum Facilities Special Tax that the property owner wants to prepay, which percentage shall not exceed 50%.
- Step 4.** Multiply the quotient computed pursuant to Step 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the “Bond Redemption Amount”*).
- Step 5.** Compute the current Remaining Facilities Costs (if any).
- Step 6.** Multiply the quotient computed pursuant to Step 3 by the amount determined pursuant to Step 5 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 7.** Multiply the Bond Redemption Amount computed pursuant to Step 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 8.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest



payment date after the prepayment has been received, Steps 8, 9, and 10 of this prepayment formula will not apply.

- Step 9:** Compute the amount of interest CMFA 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 10:** Subtract the amount computed pursuant to Step 9 from the amount computed pursuant to Step 8 (the “*Defeasance Requirement*”).
- Step 11.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (the “*Administrative Fees and Expenses*”).
- Step 12.** If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).
- Step 13.** The Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 4, 6, 7, 10, and 11, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).
- Step 14.** From the Prepayment Amount, the amounts computed pursuant to Steps 4, 7, and 10 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 6 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 11 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a partial prepayment has been received, an Amendment to Notice of Facilities Special Tax Lien shall be recorded against the Parcel to reflect the reduced Facilities Special Tax lien for the Parcel, which shall be equal to the portion of the Maximum Facilities Special Tax that was not prepaid, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Facilities Special Tax Revenues. However, an Amendment to Notice of Facilities Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Facilities Special Tax revenue that can be collected from Taxable Property that remains subject to the Facilities Special Tax after the proposed prepayment is less than the Required Coverage on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be

increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which Required Coverage is maintained.

## **I. INTERPRETATION OF RMA**

Interpretations may be made by Resolution of the Board to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. CMFA, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to CMFA, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease the Expected Maximum Facilities Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

**ATTACHMENT 1**

**California Municipal Finance Authority  
Community Facilities District No. 2020-6  
(County of Placer – PV 400)**

**PV 400  
Expected Lot Layout and Lot Category Assignments  
Within Each Tax Zone**



**LEGEND:**

**VILLAGE 1A**

(A) 45' WIDE X 105' MIN DEEP LOTS:	38
(B) 55' WIDE X 105' MIN DEEP LOTS:	67
(C) 65' WIDE X 105' MIN DEEP LOTS:	79
<b>TOTAL:</b>	<b>184 LOTS</b>

**VILLAGE 1B**

(A) 45' WIDE X 105' MIN DEEP LOTS:	30
(B) 55' WIDE X 105' MIN DEEP LOTS:	71
(C) 65' WIDE X 105' MIN DEEP LOTS:	39
<b>TOTAL:</b>	<b>140 LOTS</b>

0 200 400 800

SCALE: 1"=400'

**ATTACHMENT 1 - TAX ZONE 1**

**CMFA CFD NO. 2020-6**

**(County of Placer - PV400)**

**Identification of Lot Categories - 324 Lots Total**

Placer County  
Scale 1"=400'

**Mackay & Soms**  
ENGINEERS PLANNERS SURVEYORS  
1025 Creekside Ridge Drive, Suite 150, Roseville, CA 95678 (916) 773-1189

California  
January 2021  
18156.LEN



LOT 7  
(OPEN SPACE)

PLACER CREEK DRIVE

VILLAGE 5

LOT 12  
(PARK)

LOT  
(OPEN SPACE)

LOT 8A  
(OPEN SPACE)

TOWN CENTER AVENUE



LEGEND:

VILLAGE 5

(A)	45' WIDE X 105' MIN DEEP LOTS:	37
(B)	55' WIDE X 105' MIN DEEP LOTS:	92
(C)	65' WIDE X 105' MIN DEEP LOTS:	88
TOTAL:		217 LOTS

0 300 600



SCALE: 1"=300'

ATTACHMENT 1 - TAX ZONE 5

CMFA CFD NO. 2020-6

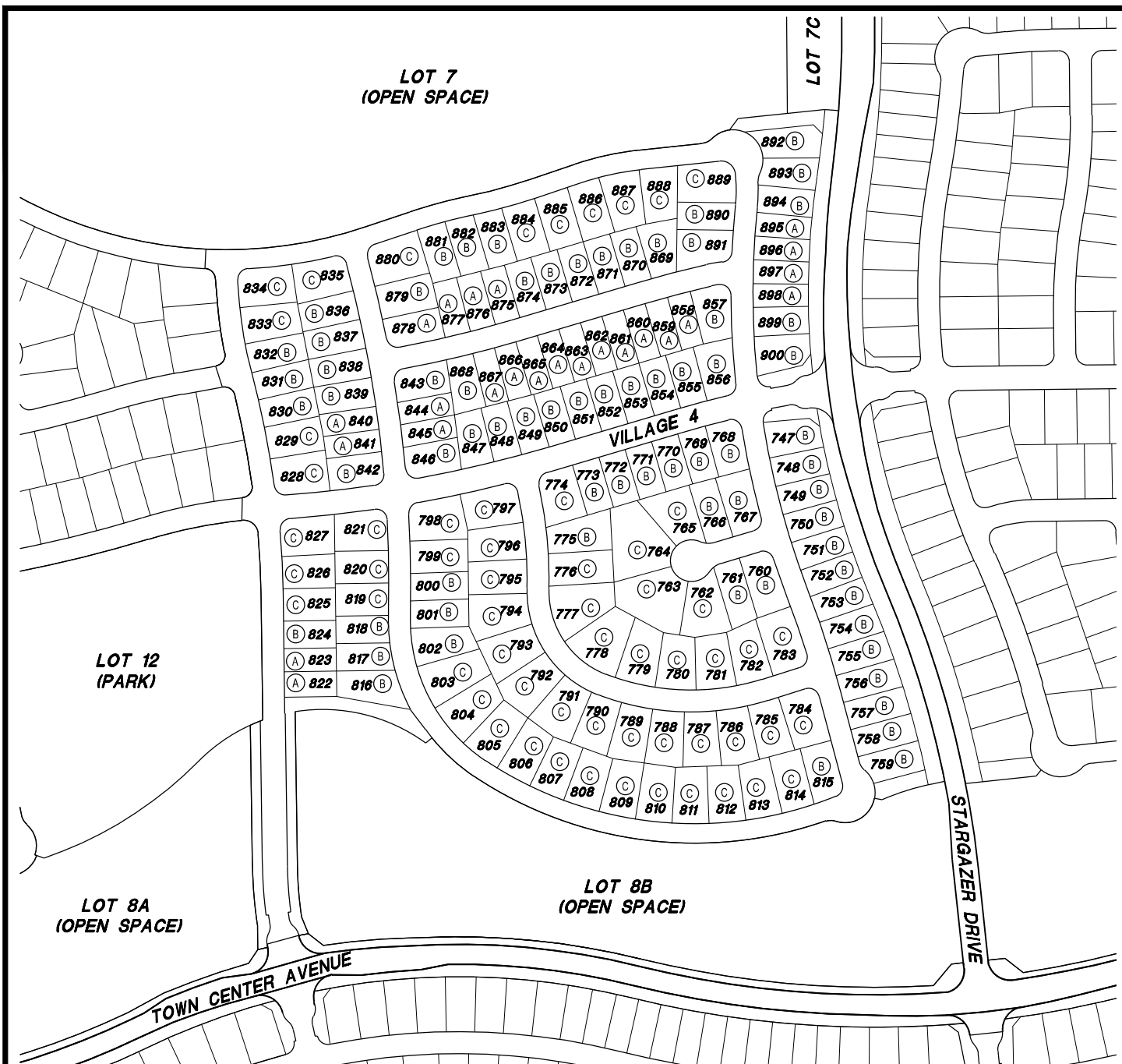
(County of Placer - PV400)

Identification of Lot Categories - 217 Lots Total

Placer County  
Scale 1"=300'

**Mackay & Somp**  
ENGINEERS PLANNERS SURVEYORS  
1025 Creekside Ridge Drive, Suite 150, Roseville, CA 95678 (916) 773-1189

California  
January 2021  
18156.LEN



**LEGEND:**

**VILLAGE 4**

(A) 45' WIDE X 105' MIN DEEP LOTS:	24
(B) 55' WIDE X 105' MIN DEEP LOTS:	71
(C) 65' WIDE X 105' MIN DEEP LOTS:	59
<b>TOTAL:</b>	<b>154 LOTS</b>

0 300 600

SCALE: 1"=300'

**ATTACHMENT 1 - TAX ZONE 4**

**CMFA CFD NO. 2020-6**

**(County of Placer - PV400)**

**Identification of Lot Categories - 154 Lots Total**

Placer County  
Scale 1"=300'

**MACKAY & SOMPS**  
ENGINEERS PLANNERS SURVEYORS  
1025 Creekside Ridge Drive, Suite 150, Roseville, CA 95678 (916) 773-1189

California  
January 2021  
18156.LEN



#### LEGEND:

#### VILLAGE 3

(A) 45' WIDE X 105' MIN DEEP LOTS:	67
(B) 55' WIDE X 105' MIN DEEP LOTS:	101
(C) 65' WIDE X 105' MIN DEEP LOTS:	78
TOTAL:	246 LOTS

0 200 400 800



SCALE: 1"=400'

## ATTACHMENT 1 - TAX ZONE 3

CMFA CFD NO. 2020-6

(County of Placer - PV400)

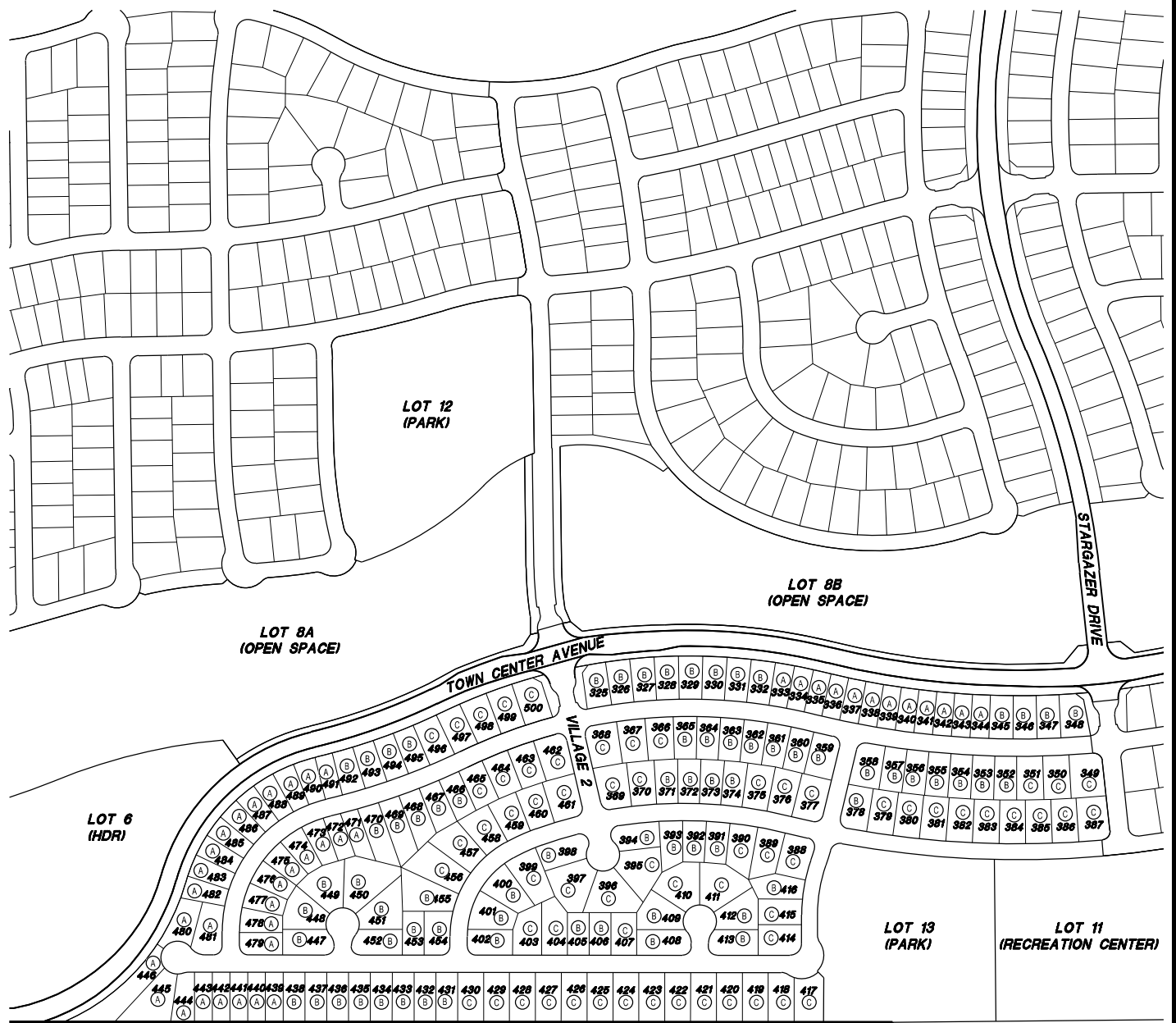
Identification of Lot Categories - 246 Lots Total

Placer County  
Scale 1"=400'

**MacKay & Soms**  
ENGINEERS PLANNERS SURVEYORS  
1025 Creekside Ridge Drive, Suite 150, Roseville, CA 95678 (916) 773-1189

California  
January 2021  
18156.LEN

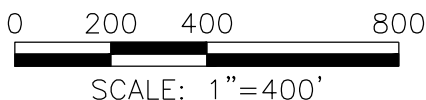




#### LEGEND:

#### VILLAGE 2

(A) 45' WIDE X 105' MIN DEEP LOTS:	41
(B) 55' WIDE X 105' MIN DEEP LOTS:	72
(C) 65' WIDE X 105' MIN DEEP LOTS:	63
TOTAL:	176 LOTS



## ATTACHMENT 1 - TAX ZONE 2

CMFA CFD NO. 2020-6

(County of Placer - PV400)

Identification of Lot Categories - 176 Lots Total

Placer County  
Scale 1"=400'

**MACKAY & SOMPS**  
ENGINEERS PLANNERS SURVEYORS  
1025 Creekside Ridge Drive, Suite 150, Roseville, CA 95678 (916) 773-1189

California  
January 2021  
18156.LEN





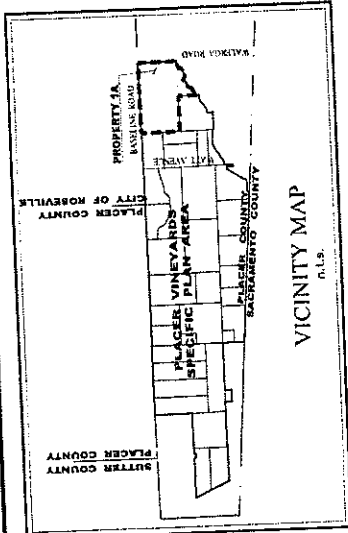
## ATTACHMENT 2

### California Municipal Finance Authority Community Facilities District No. 2020-6 (County of Placer – PV 400)

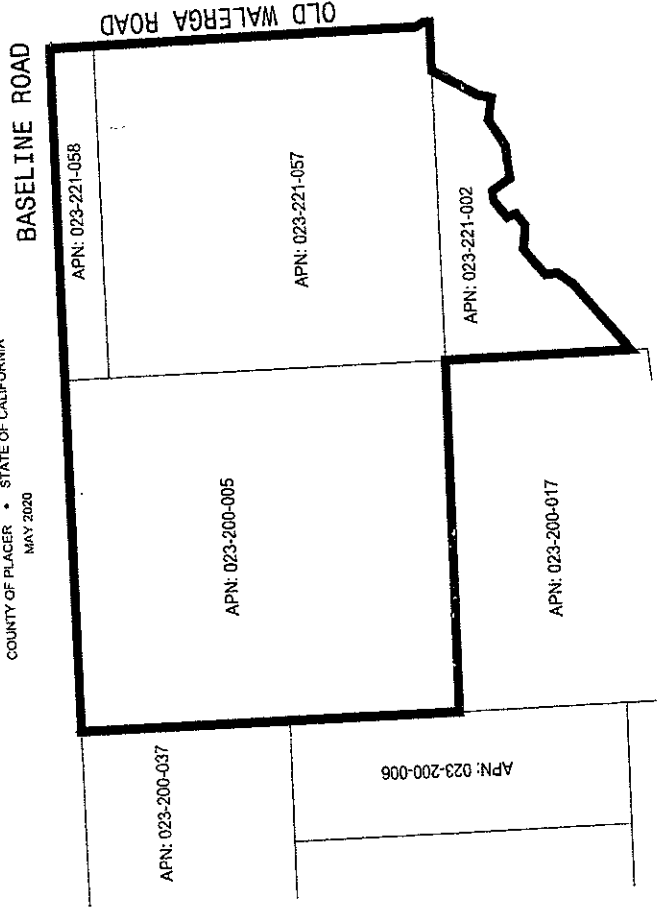
#### Expected Land Uses and Expected Maximum Facilities Special Tax Revenues

Land Use Category	Lot Category	Expected Residential Units/Acreage	Base Facilities Special Tax Before Transition Year (in Fiscal Year 2020-21 \$)*	Expected Maximum Facilities Special Tax Revenues *
<b>Tax Zone 1</b>				
Single Family Detached Property	Lot Category A	68	\$900 per Residential Unit	\$61,200
Single Family Detached Property	Lot Category B	138	\$1,250 per Residential Unit	\$172,500
Single Family Detached Property	Lot Category C	118	\$1,600 per Residential Unit	\$188,800
Single Family Attached Property	N/A	0	\$900 per Residential Unit	\$0
Other Property	N/A	0	\$8,431 per Acre	\$0
<b>Tax Zone 2</b>				
Single Family Detached Property	Lot Category A	41	\$1,300 per Residential Unit	\$53,300
Single Family Detached Property	Lot Category B	72	\$1,675 per Residential Unit	\$120,600
Single Family Detached Property	Lot Category C	63	\$2,100 per Residential Unit	\$132,300
Single Family Attached Property	N/A	0	\$1,300 per Residential Unit	\$0
Other Property	N/A	0	\$10,928 per Acre	\$0
<b>Tax Zone 3</b>				
Single Family Detached Property	Lot Category A	67	\$1,400 per Residential Unit	\$93,800
Single Family Detached Property	Lot Category B	101	\$1,850 per Residential Unit	\$186,850
Single Family Detached Property	Lot Category C	78	\$2,300 per Residential Unit	\$179,400
Single Family Attached Property	N/A	0	\$1,400 per Residential Unit	\$0
Other Property	N/A	0	\$12,501 per Acre	\$0
<b>Tax Zone 4</b>				
Single Family Detached Property	Lot Category A	24	\$1,500 per Residential Unit	\$36,000
Single Family Detached Property	Lot Category B	71	\$1,950 per Residential Unit	\$138,450
Single Family Detached Property	Lot Category C	59	\$2,400 per Residential Unit	\$141,600
Single Family Attached Property	N/A	0	\$1,500 per Residential Unit	\$0
Other Property	N/A	0	\$13,191 per Acre	\$0
<b>Tax Zone 5</b>				
Single Family Detached Property	Lot Category A	37	\$1,600 per Residential Unit	\$59,200
Single Family Detached Property	Lot Category B	92	\$2,050 per Residential Unit	\$188,600
Single Family Detached Property	Lot Category C	88	\$2,550 per Residential Unit	\$224,400
Single Family Attached Property	N/A	0	\$1,600 per Residential Unit	\$0
Other Property	N/A	0	\$14,308 per Acre	\$0
<b>Expected Maximum Facilities Special Tax Revenues (FY 2020-21 \$)</b>				<b>\$1,977,000</b>

\* On July 1, 2021, and each July 1 thereafter, all dollar amounts shown above shall be increased by 2% of the amount in effect in the prior Fiscal Year.



PROPOSED BOUNDARY OF  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2020-6  
(COUNTY OF PLACER - PV400)  
COUNTY OF PLACER • STATE OF CALIFORNIA  
MAY 2020



# CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF DIRECTORS OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY THIS 30 DAY OF JUNE 2020.

\*\*\* June \*\*\*  
\*\*\* Robert Adams \*\*\*  
SECRETARY

# CLERK'S MAP CERTIFICATE

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2020-6 (COUNTY OF PLACER - PV400), COUNTY OF PLACER, STATE OF CALIFORNIA, WAS PREPARED AND SUBMITTED TO THE BOARD OF DIRECTORS OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY, AT A REGULAR MEETING THEREOF, HELD ON THE 30 DAY OF JUNE, 2020, BY ITS RESOLUTION NO. 20-088.

\*\*\* June \*\*\*  
\*\*\* 20-088 \*\*\*  
\*\*\* Robert Adams \*\*\*  
SECRETARY

## NOTE:

REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF PLACER FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCELS SHOWN HEREON.

## RECORDER'S STATEMENT

FILED THIS 11TH DAY OF JUNE 2020, AT THE HOUR OF 3:55 O'CLOCK P.M., IN BOOK 3 OF THE COUNTY RECORDS IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF PLACER, STATE OF CALIFORNIA.

FEE \$8.00  
FILE NO. 2020-095501  
RYAN RONDO  
PLACER COUNTY RECORDER

BY: S. Adams  
DEPUTY



LEGEND  
CFD BOUNDARY  
APN BOUNDARY

0 300 600 1200  
SCALE: 1"=600'

**MACKAY & SOMPS**  
SURVEYORS  
PLANNERS  
1000 Cambridge Ridge Drive, Suite 100, Roseville, CA 95748 (916) 721-1189



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## DOUGLAS 98 COMMUNITY FACILITIES DISTRICT SUMMARY AND RECOMMENDATIONS

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Applicant: Woodside Homes

Action: Approval

Amount: \$4,660,000

Purpose: Approve Resolutions Forming CMFA Community Facilities District No. 2021-2 (City of Rancho Cordova—Douglas 98), Authorizing Incurrence of Bonded Indebtedness and Holding a Special Landowner Election

Activity: BOLD/ Community Facilities District

Meeting: February 26, 2021

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### Background and Resolutions:

The CMFA's BOLD Program ("BOLD") utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the "Act") to raise revenues for the infrastructure needs of local agencies in California. The City of Rancho Cordova (the "City") is a member of the CMFA and a participant in BOLD. Woodside Homes (the "Developer") previously submitted an application to the CMFA to use BOLD in relation to the Developer's proposed development of certain property located in the City. The CMFA and the City previously accepted such application, and on January 15, 2021, the Board of Directors of the CMFA took the initial steps toward formation of a community facilities district for the project under the Act. The resolutions being considered by the Board on February 26, 2021 will complete the formation of the community facilities district and authorize the levying of special taxes and incurrence of bonded indebtedness for the community facilities district.

As an initial step in using BOLD for the financing of public infrastructure to be owned by a local agency such as the City, the CMFA needs to form a community facilities district. On January 15<sup>th</sup>, 2021, the CMFA adopted a resolution stating its intention to form a proposed community facilities district (the "Resolution of Intention to Form CFD") to be called California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98) (the "CFD"), and a resolution stating its intention to incur bonded indebtedness for such CFD (the "Resolution of Intention to Incur Bonded Indebtedness").

Under the Act, the process of completing the formation of the CFD requires a noticed public hearing, the adoption of a resolution forming the CFD, the holding of a landowner election, and the adoption of an ordinance levying the special taxes. To form the CFD, the Board of Directors of the CMFA will first hold a public hearing on the formation of the CFD and the incurrence of bonded indebtedness for the CFD and consider any public comments received. After such public hearing, if there is no majority protest received, the Board of Directors of the CMFA can then proceed to adopt the resolution of formation for the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Forming California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98).

Next, the Board of Directors of the CMFA can adopt a resolution authorizing the issuance of debt for the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Determining Necessity to Incur Bonded Indebtedness and Other Debt in and for California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98) (the “Resolution Determining Necessity”).

After adoption of the Resolution Determining Necessity, the Board of Directors of the CMFA can proceed to adopt a resolution calling for a special landowner election of the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Calling Special Election in and for California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98) (the “Resolution Calling Election”). The election is allowed to be held as part of this meeting since timing waivers from 100% of the landowner voters have been received by the CMFA. The Secretary will canvass the results of the landowner election. These ballots have already been received by the Secretary.

The Board of Directors of the CMFA can then proceed to adopt a resolution declaring the results of the landowner election for the CFD and directing filing of the Notice of the Special Tax Lien with the County Recorder for Sacramento County. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien in California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98) (the “Resolution Declaring Election Results”). The special tax lien puts the rate and method of apportionment on record for all parcels within the applicable Community Facilities District.

The final legislative act is the introduction of an ordinance levying special taxes on the land in the CFD. Assuming its introduction on February 26, 2021, the ordinance can be finally adopted at a subsequent Board meeting.

#### The Project:

The project is the third phase in a 528-lot master-planned community being developed by Woodside Homes within the City of Rancho Cordova. Over the course of the past 2.5 years, the site was mass-graded, and 379 lots have been finished. As of August 30, 2020, approximately 150 homes have been sold, with an average absorption during 2020 of 14 homes per month, or approximately 3 sales per month per community.

The property within the District includes 15.6 gross acres, on which 82 single-family homes will be built. The final map was recorded in November 2020 and lots are in final form of development. The Developer is in the process of building model homes so that they can begin home sales.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$4,660,000 on behalf of the CFD and all improvement areas therein.

#### Future Action:

The Ordinance Levying Special Taxes will need to be finally adopted at a future meeting of the Board of Directors. Bonds payable from the special taxes are expected to be issued in the summer of 2021, subject to further resolution and approval. The three improvement areas of this community facilities district may be combined as a pooled financing (by itself), or it may be pooled with one or more other districts.

#### Authorized Facilities:

Authorized facilities include any facilities authorized by the Mello-Roos Community Facilities Act of 1982 (“Mello-Roos Act”) that are financed in whole or in part by development impact fees, whether City, County, or other local agency fees levied in connection with development of the property. The authorized facilities include, but are not limited to, capital facilities funded by the following fees:

##### Public Facilities Financed Through Development Impact Fees:

- Transportation Impact Fees (including but not limited to City Supplemental Transportation Fee)
- Sunrise Douglas Community Plan Roadway Impact Fee
- Sacramento Regional County Sanitation District (Major Conveyance) Fees
- Cordova Recreation & Park District Fees (including but not limited to Park Renovation Fee, Sunrise Douglas Park Fee)
- Sacramento Area Sewer District (Local Conveyance) Fees

##### Public Facilities:

- Pyramid Peak Neighborhood Park

Authorized facilities also include Prepayment of Overlapping Liens, as well as Administrative and Incidental Expenses.

#### Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Formation, the Resolution Determining Necessity to Incur Bonded Indebtedness in an amount not to exceed \$4,660,000, the Resolution Calling Election, the Resolution Declaring Election Results, and introduce the Ordinance.

**EXHIBIT A**

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-2  
(CITY OF RANCHO CORDOVA – DOUGLAS 98)**

**COMMUNITY FACILITIES DISTRICT HEARING REPORT**

**CONTENTS**

Introduction

- A. Description of Facilities
- B. Cost Estimates
- C. Proposed Boundaries of the Community Facilities District
- D. Rate and Method of Apportionment of Special Tax

\* \* \* \* \*

Exhibit A – Description of the Proposed Facilities to be Financed by the CFD

Exhibit B – Cost Estimates

Exhibit C – Rate and Method of Apportionment of Special Tax

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-2  
(CITY OF RANCHO CORDOVA – DOUGLAS 98)**

**INTRODUCTION**

The Board of Directors (the “**Board**”) of the California Municipal Financing Authority (the “**Authority**”) did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), on January 15, 2021, adopt a resolution entitled, “A Resolution of Intention to Establish the California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98) and to Levy a Special Tax Therein to Finance the Acquisition and Construction of Certain Public Facilities and Development Impact Fees for such Community Facilities District” (the “**Resolution of Intention**”). In the Resolution of Intention, the Board expressly ordered the preparation of a written Community Facilities District Report (the “**Report**”) for the proposed California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98) (the “**CFD**”).

The Resolution of Intention ordering the Report directed that the Report generally contain the following:

(a) A description of the facilities (the “**Facilities**”) by type which will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and other debt and all other related costs as provided in Section 53345.3 of the Act.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Board.

**NOW, THEREFORE**, the following data is submitted pursuant to the direction of the Board:

**A. DESCRIPTION OF FACILITIES.** A general description of the proposed Facilities is provided in Exhibit “A” attached hereto and hereby made a part hereof.

**B. COST ESTIMATES.** Cost estimates for the proposed Facilities are set forth in Exhibit “B” attached hereto and hereby made a part hereof.

**C. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the CFD are those properties and parcels on which special taxes may be levied to pay for the Facilities. The proposed boundaries of the CFD are identified in the map entitled “Proposed Boundaries of California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas

98), Sacramento County, State of California” which has been recorded in the office of the Sacramento County Recorder.

**D. RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.** All of the property located within the CFD boundaries, unless exempted by law or by the Rate and Method of Apportionment of Special Tax (the “**RMA**”), shall be taxed for the purpose of financing the Facilities. The Board will annually determine the actual amount of the special tax levy based on the method and subject to the Maximum Special Tax rates contained in the RMA. The RMA is provided in Exhibit “C”, attached hereto and hereby made a part hereof.



## **EXHIBIT A**

### **California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98)**

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

Authorized facilities and costs that may be funded through the Community Facilities District ("CFD") include the following public facilities and administrative and incidental expenses.

#### **Public Facilities**

Pyramid Peak Neighborhood Park

#### **Public Facilities Financed Through Development Impact Fees**

Authorized facilities include any facilities authorized by the Mello-Roos Community Facilities Act of 1982 ("Mello-Roos Act") that are financed in whole or in part by development impact fees, whether City or other local agency fees levied in connection with development of the property. The authorized facilities include, but are not limited to, facilities authorized by the Mello-Roos Act to be funded by the following fees:

- Transportation Impact Fees (including but not limited to City Supplemental Transportation Fee)
- Sunrise Douglas Community Plan Roadway Impact Fee
- Sacramento Regional County Sanitation District (Major Conveyance) Fees
- Cordova Recreation & Park District Fees (including but not limited to Park Renovation Fee, Sunrise Douglas Park Fee)
- Sacramento Area Sewer District (Local Conveyance) Fees

#### **Prepayment of Overlapping Liens**

The CFD may also pay in full amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the CFD or may pay debt service on that indebtedness.

#### **Administrative and Incidental Expenses**

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Act include these: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, and environmental remediation/mitigation); land acquisition and easement payments for authorized CFD

facilities; project management; construction staking; engineering studies and preparation of an engineer's report; utility relocation and demolition costs incidental to construction of the public facilities cost associated with the creation of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; payment of taxes; costs otherwise incurred to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities or planning purposes serving development in the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, the CFD shall fund the direct and indirect expenses incurred by the California Municipal Finance Authority ("CMFA"), the City and/or any other local agency in carrying out its duties with respect to the CFD and/or any authorized facility, including, but not limited to:

1. The levy and collection of the special taxes
2. The fees and expenses of attorneys and consultants
3. Any fees related to the collection of special taxes
4. An allocable share of the salaries and benefits of any CMFA and City staff, or consultant fees, directly related thereto and a proportionate amount of CMFA's and the City's general administrative overhead related thereto
5. Any amounts paid by CMFA and the City with respect to the CFD
6. Expenses incurred in undertaking action to foreclose on properties for which the payment of special taxes is delinquent
7. Administrative fees of CMFA and the City and the bond trustee or fiscal agent related to the CFD and the bonds issued by or for the CFD
8. Costs related to the formation of the CFD
9. Reimbursement of costs related to the formation of the CFD advanced by CMFA and the City, the landowner(s) in the CFD or any party related to any of the foregoing, as well as reimbursement of any costs advanced by CMFA and the City, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD
10. Costs related to the issuance of bonds by or for the CFD, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, fees and expenses of bond counsel, disclosure counsel, special tax consultant, municipal advisor and appraiser, bond remarketing costs, and all other incidental expenses
11. All other costs and expenses of CMFA or the City in any way related to the CFD.

## **EXHIBIT B**

### **California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98)**

## **COST ESTIMATES**

### **Facilities**

The following is a summary of the estimated costs of acquisition and construction of the Facilities. In addition, the CFD will finance bond and other debt issuance costs, capitalized interest, a debt service reserve fund, the costs of forming the CFD and other costs associated with the sale of bonds and annual administration of the CFD.

<b><u>Facilities</u></b>	<b><u>Estimated Cost</u></b>
<b><u>Fees</u></b>	
Sacramento County Water Agency Zone 40	\$17,601
Sacramento Area Sewer District	\$3,301
Sacramento Regional County Sanitation District	\$6,609
City of Rancho Cordova Transportation	\$10,143
City of Rancho Cordova Sunrise Douglas Community Plan Roadway	\$1,231
<b>Total</b>	<b>\$38,885</b>
<b>Total for 82 Lots</b>	<b>\$3,188,570</b>

**EXHIBIT C**

**California Municipal Finance Authority  
Community Facilities District No. 2021-2  
(City of Rancho Cordova – Douglas 98)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-2  
(CITY OF RANCHO CORDOVA – DOUGLAS 98)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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A Special Tax applicable to each Assessor's Parcel in the California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98) shall be levied and collected according to the tax liability determined by the Board 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 G 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 is adopted for the annexation area.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** 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 parcel map recorded at the County Recorder's Office.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of CMFA in carrying out its duties with respect to the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for CMFA and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of CMFA and the City in any way related to the establishment or administration of the CFD.

**“Administrator”** shall mean the person or firm designated by CMFA to administer the Special Tax according to this RMA.

**“Assessor's Parcel” or “Parcel”** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

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

**“Authorized Facilities”** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**“Base Special Tax”** means, for any Special Tax Category, the applicable Special Tax initially identified in Table 1 of Section C, as may be adjusted pursuant to Section D.

**“Board”** means the Board of Directors of CMFA.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by the CFD to fund Authorized Facilities.

**“Building Permit”** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

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

**“CFD”** means the California Municipal Finance Authority Community Facilities District No. 2021-2 (City of Rancho Cordova – Douglas 98).

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

**“City”** means the City of Rancho Cordova.

**“CMFA”** means the California Municipal Finance Authority.

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

**“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 for new construction was issued prior to June 30 of the preceding Fiscal Year.

**“Development Class”** means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**“Expected Land Uses”** means the number of Residential Units and the acreage of Multi-Family Property and Non-Residential Property expected within the CFD at CFD Formation, as identified in Attachments 1 and 2 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 2 each time there is a Land Use Change. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

**“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 at CFD Formation are shown in Attachment 2 and may be revised pursuant to Section D and H 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 SFD Lots. The term “Final Map” shall not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

**“Final Map Property”** means, in any Fiscal Year, all SFD Lots created within Final Maps that had recorded prior to June 30 of the preceding Fiscal Year and which have not yet become Developed 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 Parcels in the CFD.

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

**“Improvement Fund”** means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities or to pay or reimburse eligible impact fees.

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

**“Land Use Change”** means a proposed or approved change to the Expected Land Uses in the CFD after CFD Formation.

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

**“Multi-Family Property”** means, in any Fiscal Year, all Parcels of Developed Property for which Building Permits were issued for construction of a residential structure with five or more Residential Units that share a single Assessor’s Parcel, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

**“Non-Residential Property”** means, in any Fiscal Year, all Parcels of Developed Property within the CFD that are not Single Family Detached Property, Single Family Attached Property, Multi-Family Property, Owners Association Property, or Public Property, as defined herein.

**“Owners Association”** means a homeowners association or property owners 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 through easement by the 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 boundaries of the CFD that is owned by the City, County, federal government, State of California, or other public agency.

**“Required Coverage”** means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**“Residential Unit”** means an SFD Unit, or an individual attached residential unit within a duplex, triplex, fourplex, townhome, or condominium structure. A second unit (granny flat) that shares a Parcel with an SFD Unit shall not be considered an SFD 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 an SFD Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved Tentative Map.

**“SFD Unit”** means a residential dwelling unit that does not share a common wall with another residential dwelling unit.

**“Single Family Attached Property”** means, in any Fiscal Year, all 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 a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Residential Units are purchased and subsequently offered for rent by the owner), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 4125.

**“Single Family Detached Property”** means, in any Fiscal Year, all Parcels of Developed Property for which a Building Permit was issued for construction of an SFD Unit.

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

**“Special Tax Category”** means one of the categories of land uses for which a Special Tax amount is set forth in Table 1 of Section C below.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year;



(ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support, and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Final Map Property and Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of CMFA, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of CMFA.

**“Taxable Owners Association Property”** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Owners Association Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association 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 of the Parcels within the boundaries of the CFD that are 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 Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Public Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it is 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 a tentative map or substantial conformance exhibit for property in the CFD, including any adjustments or amendments thereto.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Final Map Property or Developed Property, as defined herein.

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

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class; (ii) for Developed Property, categorize each Parcel as Single Family Detached Property, Single Family Attached Property, Multi-Family Property, or Non-Residential Property; (iii) for Multi-Family Property and Non-Residential Property, determine the Acreage of each Parcel; and (iv) determine the Special Tax Requirement for the Fiscal Year.

In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Final Maps, and Building Permits to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## **C. MAXIMUM SPECIAL TAX**

### *1. Developed Property*

The Maximum Special Tax for a Parcel of Developed 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 1  
Base Special Tax  
Developed Property**

<b>Special Tax Category</b>	<b>Base Special Tax Fiscal Year 2020-21 *</b>
Single Family Detached Property	\$1,699 per Residential Unit
Single Family Attached Property	\$1,699 per Residential Unit
Multi-Family Property	\$12,556 per Acre
Non-Residential Property	\$12,556 per Acre

\* On July 1, 2021, and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

### *2. Final Map Property*

The Maximum Special Tax for Final Map Property is \$1,699 per SFD Lot for Fiscal Year 2020-21, which amount shall increase on July 1, 2021, and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

3. *Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property*

The Maximum Special Tax for Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property is \$12,556 per Acre for Fiscal Year 2020-21, which amount shall increase on July 1, 2021, 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 THE MAXIMUM SPECIAL TAX**

1. *Land Use Changes*

The Expected Maximum Special Tax Revenues shown in Attachment 2 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is 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.

**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. Upon approval of the Land Use Change, the Administrator shall update Attachment 2 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 below must be applied:

- Step 1:** By reference to Attachment 2 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D 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 the CFD after the Land Use Change based on application of the Base Special Taxes from Table 1.
- Step 3:** If the revenues calculated in Step 2 are (i) higher than those 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 2 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 Parcel owned by the Requesting Landowner that was Undeveloped Property at the time the Administrator prepared the prepayment estimate, **or**

**3.b.** If a prepayment is not received by the due date specified above, the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

Pursuant to this Section D.1, the Administrator may from time to time update Attachment 2 to reflect revised Expected Maximum Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

If multiple Land Use Changes are proposed simultaneously by a single landowner (which may include approval of multiple Final Maps at one time), and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no prepayment has been received, then the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes shall be increased proportionately until the aggregate amount that can be levied within such areas 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, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, 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 a Parcel, the Maximum Special Tax for the Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Parcel is located.

The duties imposed on the Administrator pursuant to this Section D 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 a 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. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 2 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

## *3. Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the applicable Base Special Tax for the Parcel, as determined by the Administrator.

## **E. METHOD OF LEVY OF THE SPECIAL TAX**

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

- 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 of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.
- Step 2:** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.
- Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.
- Step 4:** If additional revenue is needed after Step 3, 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 until the amount levied is equal to the Special Tax Requirement.
- Step 5:** If additional revenue is needed after Step 4, 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 until the amount levied is equal to the Special Tax Requirement.

**F. MANNER OF COLLECTION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that CMFA may: (i) directly bill the Special Tax, (ii) collect Special Taxes at a different time or in a different manner, (iii) strip delinquent Special Taxes off the tax roll to pursue collection, and (iv) may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2060-61. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

**G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

- (1) Public Property, except Taxable Public Property.
- (2) Owners Association Property, except Taxable Owners Association Property.
- (3) Parcels owned by a public utility for an unmanned facility.
- (4) Parcels subject to an easement that precludes any other use on the Parcel.
- (5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

**H. PREPAYMENTS**

The following definitions apply to this Section H:

**“Outstanding Bonds”** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and 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), that next principal payment shall be subtracted from

the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

**“Public Facilities Requirement”** means either \$2 million in 2020 dollars, which shall increase on January 1, 2021, and on each January 1 thereafter by 2% of the amount in effect in the prior year, or such other number as shall be determined by CMFA as sufficient to fund improvements that are authorized to be funded by the CFD. The Public Facilities Requirement shown above may be adjusted each time property annexes into the CFD or there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

**“Remaining Facilities Costs”** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity, and any other source of funding.

*1. Full Prepayment*

The Special Tax obligation applicable to a Parcel in the CFD may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide CMFA with written notice of intent to prepay. Within 30 days of receipt of such written notice, CMFA or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 60 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by CMFA by applying the Base Special Tax to the Expected Land Uses for the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed

Land Use Change would reduce Expected Maximum Special Tax Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.

- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in the CFD, as shown in Attachment 2 and as adjusted by the Administrator after prepayments or Land Use Changes.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the “Bond Redemption Amount”*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8, and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest CMFA 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 computed pursuant to Step 8 from the amount computed pursuant to Step 7 (*the “Defeasance Requirement”*).
- Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (*the “Administrative Fees and Expenses”*).
- Step 11.** If and to the extent so provided in the Bond Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for



the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

**Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).

**Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## **2. *Partial Prepayment***

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## **3. *Maintaining Required Coverage***

Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that can be collected from Taxable Property that remains subject to the Special Tax after the proposed prepayment is less than the Required Coverage on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which Required Coverage is maintained.

## **I. INTERPRETATION OF RMA**

Interpretations may be made by Resolution of the Board to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax,

method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. CMFA, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to CMFA, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

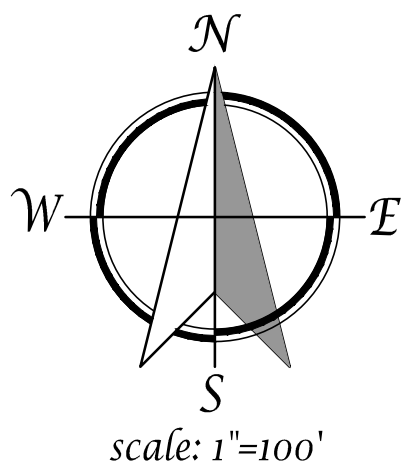
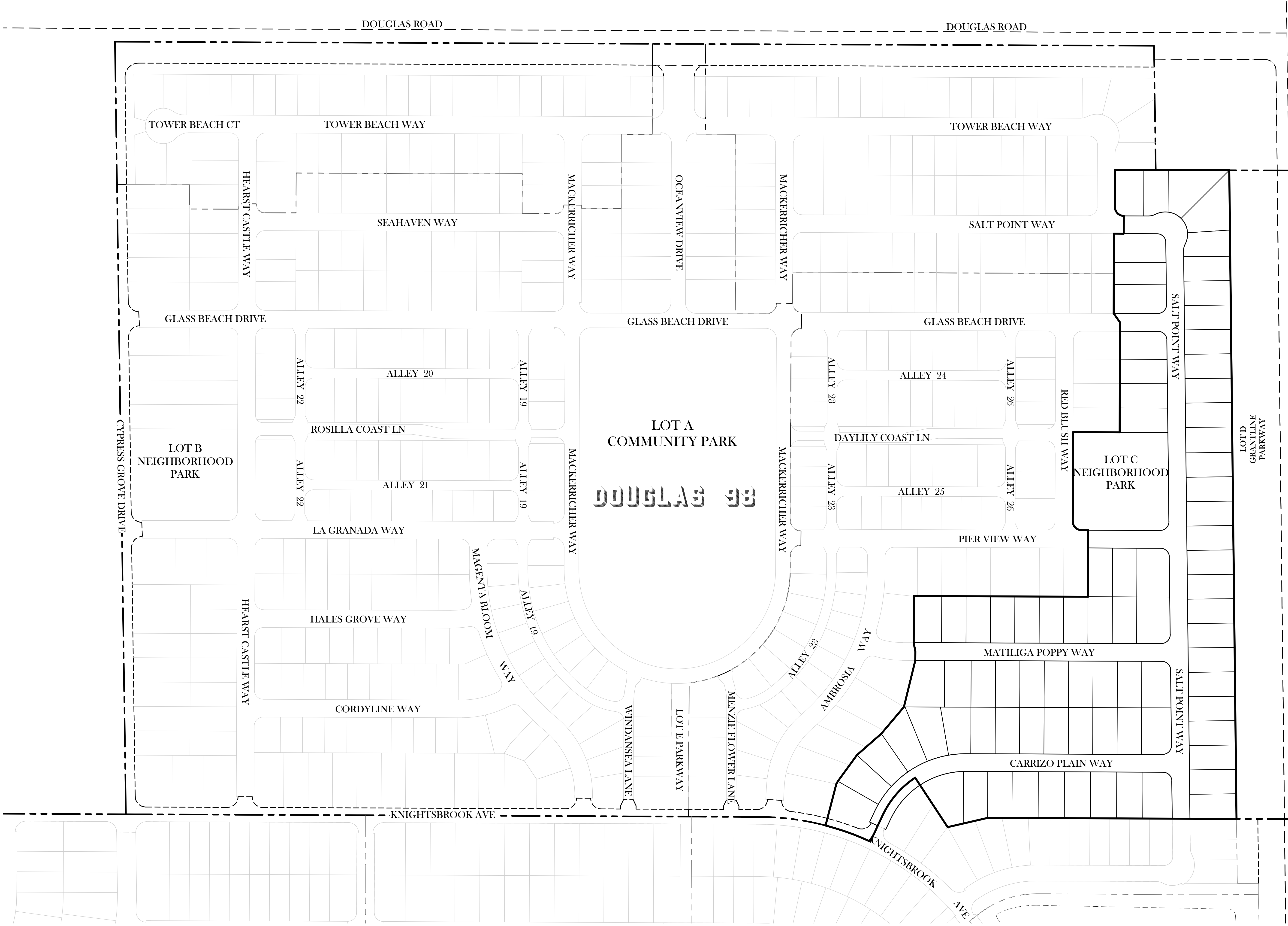
**ATTACHMENT 1**

**California Municipal Finance Authority  
Community Facilities District No. 2021-2  
(City of Rancho Cordova – Douglas 98)**

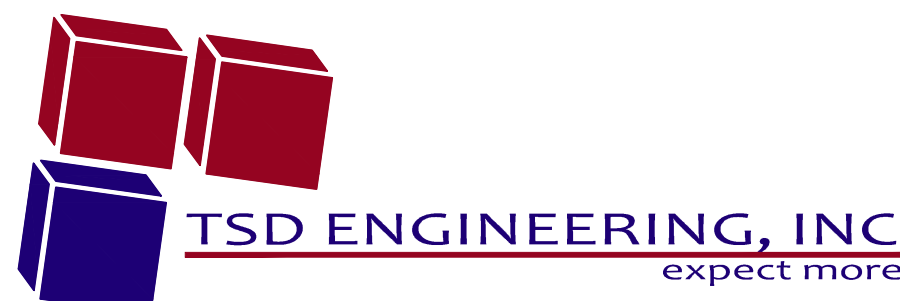
***Douglas 98  
Expected Lot Layout***

# DOUGLAS 98 - PHASE 2B

## EXPECTED LOT LAYOUT



DOUGLAS 98 - PHASE 2B  
DECEMBER 9, 2020



785 Orchard Drive, Suite #110  
Folsom, CA 95630  
Phone: (916) 608-0707  
Fax: (916) 608-0701

## ATTACHMENT 2

**California Municipal Finance Authority  
Community Facilities District No. 2021-2  
(City of Rancho Cordova – Douglas 98)**

**Expected Land Uses and Expected Maximum Special Tax Revenues**

<b>Special Tax Category</b>	<b>Expected Units / Acres</b>	<b>Base Special Tax (FY 2020-21) *</b>	<b>Expected Maximum Special Tax Revenues (FY 2020-21) *</b>
Single Family Detached Property	82 Residential Units	\$1,699 per Residential Unit	\$139,318
Single Family Attached Property	0 Residential Units	\$1,699 per Residential Unit	\$0
Multi-Family Property	0 Acres	\$12,556 per Acre	\$0
Non-Residential Property	0 Acres	\$12,556 per Acre	\$0
<b>Expected Maximum Special Tax Revenues (FY 2020-21 \$)</b>			<b>\$139,318</b>

\* On July 1, 2021, and each July 1 thereafter, all dollar amounts shown above shall be increased by 2% of the amount in effect in the prior Fiscal Year.



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## **RIVER OAKS SOUTH COMMUNITY FACILITIES DISTRICT SUMMARY AND RECOMMENDATIONS**

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**Applicant:** River Oaks Plumas Development, LLC

**Action:** Approval

**Amount:** \$12,830,000

**Purpose:** Approve Resolutions Forming CMFA Community Facilities District No. 2021-1 (County of Yuba—River Oaks South), Designating Three Improvement Areas Therein, Authorizing Incurrence of Bonded Indebtedness and Holding a Special Landowner Election

**Activity:** BOLD/ Community Facilities District

**Meeting:** February 26, 2021

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### Background and Resolutions:

The CMFA's BOLD Program ("BOLD") utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the "Act") to raise revenues for the infrastructure needs of local agencies in California. The County of Yuba (the "County") is a member of the CMFA and a participant in BOLD. River Oaks Plumas Development LLC (the "Developer") previously submitted an application to the CMFA to use BOLD in relation to the Developer's proposed development of certain property located in the County. The CMFA and the County previously accepted such application, and on January 15, 2021, the Board of Directors of CMFA took the initial steps toward formation of a community facilities district and three improvement areas for the project under the Act. The resolutions being considered by the Board on February 26, 2021 will complete the formation of the community facilities district and authorize the levying of special taxes and incurrence of bonded indebtedness for the community facilities district.

As an initial step in using BOLD for the financing of public infrastructure to be owned by a local agency such as the County, the CMFA needs to form a community facilities district. On January 15<sup>th</sup>, 2021, the CMFA adopted a resolution stating its intention to form a proposed community facilities district (the "Resolution of Intention to Form CFD") to be called California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks

South) (the “CFD”), and a resolution stating its intention to incur bonded indebtedness for such CFD (the “Resolution of Intention to Incur Bonded Indebtedness”).

Under the Act, the process of completing the formation of the CFD requires a noticed public hearing, the adoption of a resolution forming the CFD, the holding of a landowner election, and the adoption of an ordinance levying the special taxes. To form the CFD, the Board of Directors of the CMFA will first hold a public hearing on the formation of the CFD and the incurrence of bonded indebtedness for the CFD and consider any public comments received. After such public hearing, if there is no majority protest received, the Board of Directors of the CMFA can then proceed to adopt the resolution of formation for the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Forming California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South).

Next, the Board of Directors of the CMFA can adopt a resolution authorizing the issuance of debt for the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Determining Necessity to Incur Bonded Indebtedness and Other Debt in and for California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South) (the “Resolution Determining Necessity”).

After adoption of the Resolution Determining Necessity, the Board of Directors of the CMFA can proceed to adopt a resolution calling for a special landowner election of the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Calling Special Election in and for California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South) (the “Resolution Calling Election”). The election is allowed to be held as part of this meeting since timing waivers from 100% of the landowner voters have been received by the CMFA. The Secretary will canvass the results of the landowner election. These ballots have already been received by the Secretary.

The Board of Directors of the CMFA can then proceed to adopt a resolution declaring the results of the landowner election for the CFD and directing filing of the Notice of the Special Tax Lien with the County Recorder for Yuba County. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien in California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South) (the “Resolution Declaring Election Results”). The special tax lien puts the rate and method of apportionment on record for all parcels within the applicable Community Facilities District.

The final legislative act is the introduction of an ordinance levying special taxes on the land in the CFD. Assuming its introduction on February 26, 2021, the ordinance can be finally adopted at a subsequent Board meeting.

#### The Project:

The project is in the master planned community of Plumas Lake, within Yuba County. The project is comprised of 249 residential lots, 2 commercial lots and two park parcels. The 249 lots are divided amongst three villages each having its own map. Village 1 consists of 83 residential

lots, and two park parcels. Village 2 is comprised of 72 residential lots and Village 3 is comprised of 94 residential lots and two commercial parcels. Each Village is a separate improvement area. The lots within each village are typically 50' wide by 122' deep with a typical lot size of 6,100 square feet.

The Developer has sold or is in the process of selling lots to homebuilders. Per the Developer, as of February 4, 2021:

- Improvement Area No. 1 (Village 1) with 83 lots is 100% complete and public improvements have been accepted by the County. Richmond American Homes has closed on their first take down of 41 lots and they are under construction of model homes. The balance of Village 1, the remaining 42 lots are scheduled for a close in June of this year.
- Improvement Area No. 2 (Village 2) with 72 lots is being acquired by Meritage Homes in the next several weeks. *Meritage plans to sell four homes a month until buildout in December of 2022.*
- Improvement Area No. 3 (Village 3) consists of 94 single family home sites and 2 commercial lots. DR Horton is under contract to acquire 47 lots in March of 2021 and 47 lots within three months of the initial close. The commercial property has been sold to a developer that is in the process of construction of a gas station and convenience store.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$12,830,000 on behalf of the CFD and all improvement areas therein.

#### Future Action:

The Ordinance Levying Special Taxes will need to be finally adopted at a future meeting of the Board of Directors. Bonds payable from the special taxes are expected to be issued in the summer of 2021, subject to further resolution and approval. The three improvement areas of this community facilities district may be combined as a pooled financing (by itself), or it may be pooled with one or more other districts.

#### Authorized Facilities:

Authorized facilities and costs that may be funded through the Community Facilities District (CFD) include the following public improvements, development impact fees funding public improvements, and formation and administrative expenses.

#### Public Improvements:

- Transportation Improvements
- Wastewater System Improvements
- Potable and Non-Potable Water System Improvements
- Drainage System Improvements
- Landscaping and Open Space Improvements

Authorized facilities also include Prepayment of Administrative and Incidental Expenses.



Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Formation, the Resolution Determining Necessity to Incur Bonded Indebtedness in an amount not to exceed \$12,830,000, the Resolution Calling Election, the Resolution Declaring Election Results, and introduce the Ordinance.

## **EXHIBIT A**

### **CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2021-1 (COUNTY OF YUBA – RIVER OAKS SOUTH)**

#### **COMMUNITY FACILITIES DISTRICT HEARING REPORT**

### **CONTENTS**

#### Introduction

- A. Description of Facilities
- B. Cost Estimates
- C. Proposed Boundaries of the Community Facilities District
- D. Rate and Method of Apportionment of Special Tax

\* \* \* \* \*

Exhibit A – Description of the Proposed Facilities to be Financed by the CFD and Each Improvement Area Therein

Exhibit B – Cost Estimates

Exhibit C – Rate and Method of Apportionment of Special Tax, Improvement Area No. 1

Exhibit D – Rate and Method of Apportionment of Special Tax, Improvement Area No. 2

Exhibit E – Rate and Method of Apportionment of Special Tax, Improvement Area No. 3

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-1  
(COUNTY OF YUBA – RIVER OAKS SOUTH)**

**INTRODUCTION**

The Board of Directors (the “**Board**”) of the California Municipal Financing Authority (the “**Authority**”) did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), on January 15, 2021, adopt a resolution entitled, “A Resolution of Intention to Establish the California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South), Designate Improvement Areas Therein, and Levy a Special Tax Therein to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District” (the “**Resolution of Intention**”). In the Resolution of Intention, the Board expressly ordered the preparation of a written Community Facilities District Report (the “**Report**”) for the proposed California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South) (the “**CFD**”).

The Resolution of Intention ordering the Report directed that the Report generally contain the following:

(a) A description of the facilities (the “**Facilities**”) by type which will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and other debt and all other related costs as provided in Section 53345.3 of the Act.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Board.

**NOW, THEREFORE**, the following data is submitted pursuant to the direction of the Board:

**A. DESCRIPTION OF FACILITIES.** A general description of the proposed Facilities is provided in Exhibit “A” attached hereto and hereby made a part hereof.

**B. COST ESTIMATES.** Cost estimates for the proposed Facilities are set forth in Exhibit “B” attached hereto and hereby made a part hereof.

**C. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the CFD are those properties and parcels on which special taxes may be levied to pay for the Facilities. The proposed boundaries of the CFD, and the specific boundaries of Improvement Area No. 1, Improvement Area No. 2, and Improvement Area No. 3, are identified in the map entitled “Proposed Boundaries of

California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South), Yuba County, State of California” which has been recorded in the office of the Yuba County Recorder.

**D. RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.** A separate Rate and Method of Apportionment of Special Tax (the “**RMA**”) has been prepared for each of the three improvement areas. All of the property located within the CFD boundaries, unless exempted by law or by the RMA, shall be taxed for the purpose of financing the Facilities. The Board will annually determine the actual amount of the special tax levy based on the method and subject to the Maximum Special Tax rates contained in the RMAs. The RMAs for Improvement Area No. 1, Improvement Area No. 2, and Improvement Area No. 3 are provided in Exhibit “C”, Exhibit “D” and Exhibit “E” attached hereto and hereby made a part hereof.

## **EXHIBIT A**

### **California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South)**

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

Authorized facilities and costs that may be funded through the Community Facilities District (CFD) include the following public improvements, development impact fees funding public improvements, and formation and administrative expenses.

#### **PUBLIC IMPROVEMENTS**

##### **Transportation Improvements**

Authorized facilities include any and all public roadway improvements necessary or desirable for the development occurring within the CFD. Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, berms, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; lime treatment, power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; bollards, curbs, gutters, sidewalks, bike trails (including on- and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

##### **Wastewater System Improvements**

Authorized facilities include any and all on- and off-site backbone wastewater facilities (including Olivehurst Public Utilities District (“OPUD”) facilities). These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements.

## **Potable and Non-Potable Water System Improvements**

Authorized facilities include any and all on- and off-site backbone water facilities (including OPUD facilities). These facilities include potable and non-potable mains, valves, services, hydrants, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; and striping and signage.

## **Drainage System Improvements**

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements. These facilities include mains, pipelines and appurtenances, manholes, inlets, outfalls and water quality measures, swales, seepage barrier, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, fencing, and striping and signage.

## **Landscaping and Open Space Improvements**

Authorized facilities include any and all open space, landscaping, trail, park, parkway and paseo improvements, including, but not limited to, grading; turf and irrigation; trees and shrubs; sidewalks, pathways, and trails; sound walls; entry monumentation and signage; and other related hard-and soft-scape improvements along roadways and adjacent to or in parks, open space, drainage channels, and detention basins.

## **ADMINISTRATIVE AND INCIDENTAL EXPENSES**

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, include these: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, and environmental remediation/mitigation); land acquisition and easement payments for authorized CFD facilities; project management; construction staking; engineering studies and preparation of an engineer's report; utility relocation and demolition costs incidental to construction of the public facilities cost associated with the creation of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; payment of taxes; costs otherwise incurred to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities or planning purposes serving development in the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, the CFD shall fund the direct and indirect expenses incurred by the California Municipal Finance Authority ("CMFA"), the Olivehurst Public Utilities District, the County of Yuba or any other public agency relating to the CFD, including but not limited to:

1. The levy and collection of the special taxes
2. The fees and expenses of attorneys and consultants
3. Any fees related to the collection of special taxes
4. An allocable share of the salaries and benefits of any CMFA or other agency staff, or consultant fees, directly related thereto and a proportionate amount of CMFA's or such other agency's general administrative overhead related thereto
5. Any amounts paid by CMFA or any other agency with respect to the CFD
6. Expenses incurred in undertaking action to foreclose on properties for which the payment of special taxes is delinquent
7. Administrative fees of CMFA or any other agency and the bond trustee or fiscal agent related to the CFD and the bonds issued by or for the CFD
8. Costs related to the formation of the CFD
9. Reimbursement of costs related to the formation of the CFD advanced by CMFA or any other agency, the landowner(s) in the CFD or any party related to any of the foregoing, as well as reimbursement of any costs advanced by CMFA or any other agency, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD.
10. Costs related to the issuance of bonds by or for the CFD, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, fees and expenses of bond counsel, disclosure counsel, special tax consultant, municipal advisor and appraiser, bond remarketing costs, and all other incidental expenses.
11. All other costs and expenses of CMFA or any other agency in any way related to the CFD.

## **EXHIBIT B**

### **California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South)**

#### **COST ESTIMATES**

##### **Facilities**

The following is a summary of the estimated costs of acquisition and construction of the Facilities. In addition, the CFD will finance bond and other debt issuance costs, capitalized interest, a debt service reserve fund, the costs of forming the CFD and other costs associated with the sale of bonds and annual administration of the CFD.

<b><u>Facilities</u></b>	<b><u>Estimated Cost</u></b>
<b><u>County Facilities</u></b>	
Grading Improvements	\$171,510
Surface Improvements	\$3,866,891
Drainage Facilities	<u>\$845,856</u>
Subtotal - County Facilities	\$4,884,257
 <b><u>OPUD Facilities</u></b>	
Water Facilities	\$1,438,012
Sewer Facilities	<u>\$987,580</u>
Subtotal – OPUD Facilities	\$2,425,592
 <b>Total</b>	 <b>\$7,309,850</b>



**EXHIBIT C**

**California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
FOR IMPROVEMENT AREA NO. 1**

**IMPROVEMENT AREA NO. 1 OF THE  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-1  
(COUNTY OF YUBA – RIVER OAKS SOUTH)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 1 of the California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South) shall be levied and collected according to the tax liability determined by the Board 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 the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 1 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** 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 parcel map recorded at the County Recorder's Office.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of CMFA in carrying out its duties with respect to Improvement Area No. 1, the CFD, and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for CMFA and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of CMFA and the County in any way related to the establishment or administration of Improvement Area No. 1 and the CFD.

**“Administrator”** shall mean the person or firm designated by CMFA to administer the Special Tax according to this RMA.

**“Assessor's Parcel” or “Parcel”** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

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

**“Authorized Facilities”** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**“Base Special Tax”** means, for any Special Tax Category, the applicable Special Tax initially identified in Table 1 of Section C, as may be adjusted pursuant to Section D.

**“Board”** means the Board of Directors of CMFA.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by Improvement Area No. 1 to fund Authorized Facilities.

**“Building Permit”** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

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

**“CFD”** means the California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South).

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

**“CMFA”** means the California Municipal Finance Authority.

**“County”** means the County of Yuba.

**“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 for new construction was issued prior to June 30 of the preceding Fiscal Year.

**“Development Class”** means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**“Expected Land Uses”** means the number of SFD Units and the acreage of Non-Residential Property and Other Property expected within Improvement Area No. 1 at CFD Formation, as identified in Attachments 1 and 2 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 2 each time there is a Land Use Change. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

**“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 at CFD Formation are shown in Attachment 2 and may be revised pursuant to Section D below.

**“Final Map”** means a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates SFD Lots. The term “Final Map” shall not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

**“Final Map Property”** means, in any Fiscal Year, all SFD Lots created within Final Maps that had recorded prior to June 30 of the preceding Fiscal Year and which have not yet become Developed 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 Parcels in Improvement Area No. 1.

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

**“Improvement Area No. 1”** means Improvement Area No. 1 of the CFD.

**“Improvement Fund”** means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities or to pay or reimburse eligible impact fees.

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

**“Land Use Change”** means a proposed or approved change to the Expected Land Uses in Improvement Area No. 1 after CFD Formation.

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

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property for which a Building Permit was issued for an office, commercial, retail, industrial or mixed-use building, as determined by the Administrator.

**“Other Property”** means any Parcel of Developed Property in Improvement Area No. 1 that does not fit within the definition of Single Family Detached Property or Non-Residential Property.

**“Owners Association”** means a homeowners association or property owners 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 Improvement Area No. 1 that is owned in fee or through easement by the 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 boundaries of Improvement Area No. 1 that is owned by the County, federal government, State of California, or other public agency.

**“Required Coverage”** means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**“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 an SFD Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved Tentative Map.

**“SFD Unit”** means a residential dwelling unit that does not share a common wall with another residential dwelling unit. A second unit (granny flat) that shares a Parcel with an SFD Unit shall not be considered an SFD Unit for purposes of levying the Special Tax.

**“Single Family Detached Property”** means, in any Fiscal Year, all Parcels of Developed Property for which a Building Permit was issued for construction of an SFD Unit.

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

**“Special Tax Category”** means one of the three categories of land uses for which a Special Tax amount is set forth in Table 1 of Section C below.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support, and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Final Map Property and Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are

available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of CMFA, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of CMFA.

**“Taxable Owners Association Property”** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Owners Association Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association 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 of the Parcels within the boundaries of Improvement Area No. 1 that are 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 Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Public Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it is 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 a tentative map or substantial conformance exhibit for property in Improvement Area No. 1, including any adjustments or amendments thereto.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Final Map Property or Developed Property, as defined herein.

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

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class; (ii) for Developed Property, categorize each Parcel as Single Family Detached Property, Non-Residential Property, or Other Property; (iii) for Non-Residential and Other Property, determine the Acreage of each Parcel; and (iv) determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Final Maps, and Building Permits to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new

Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## **C. MAXIMUM SPECIAL TAX**

### *1. Developed Property*

The Maximum Special Tax for a Parcel of Developed 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 1  
Base Special Tax  
Developed Property**

<b>Special Tax Category</b>	<b>Base Special Tax Fiscal Year 2020-21 *</b>
Single Family Detached Property	\$1,425 per SFD Unit
Non-Residential Property	\$8,273 per Acre
Other Property	\$8,273 per Acre

**\* On July 1, 2021, and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.**

### *2. Final Map Property*

The Maximum Special Tax for Final Map Property is \$1,425 per SFD Lot for Fiscal Year 2020-21, which amount shall increase on July 1, 2021 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

### *3. Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property*

The Maximum Special Tax for Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property is \$8,273 per Acre for Fiscal Year 2020-21, which amount shall increase on July 1, 2021, 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 THE MAXIMUM SPECIAL TAX**

### *1. Land Use Changes*

The Expected Maximum Special Tax Revenues shown in Attachment 2 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is 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.

**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. Upon approval of the Land Use Change, the Administrator shall update Attachment 2 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 below must be applied:

- Step 1:** By reference to Attachment 2 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D 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 based on application of the Base Special Taxes from Table 1.
- Step 3:** If the revenues calculated in Step 2 are (i) higher than those 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 2 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 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 by the due date specified above, the Base Special Tax used to determine the Maximum Special Tax for each Parcel of



Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

Pursuant to this Section D.1, the Administrator may from time to time update Attachment 2 to reflect revised Expected Maximum Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.”

If multiple Land Use Changes are proposed simultaneously by a single landowner (which may include approval of multiple Final Maps at one time), and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no prepayment has been received, then the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes shall be increased proportionately until the aggregate amount that can be levied within such areas 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, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

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

The duties imposed on the Administrator pursuant to this Section D 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 a 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. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 2 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues for Improvement Area No. 1. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

### 3. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the applicable Base Special Tax for the Parcel, as determined by the Administrator.

## **E. METHOD OF LEVY OF THE SPECIAL TAX**

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

- 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 of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.
- Step 2:** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.
- Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.
- Step 4:** If additional revenue is needed after Step 3, 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 until the amount levied is equal to the Special Tax Requirement.
- Step 5:** If additional revenue is needed after Step 4, 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 until the amount levied is equal to the Special Tax Requirement.

## **F. MANNER OF COLLECTION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that CMFA may: (i) directly bill the Special Tax, (ii) collect Special Taxes at a different time or in a different manner, (iii) strip delinquent Special

Taxes off the tax roll to pursue collection, and (iv) may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2060-61. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

#### **G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

- (1) Public Property, except Taxable Public Property.
- (2) Owners Association Property, except Taxable Owners Association Property.
- (3) Parcels that are owned by a public utility for an unmanned facility.
- (4) Parcels that are subject to an easement that precludes any other use on the Parcel.
- (5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

#### **H. PREPAYMENTS**

The following definitions apply to this Section H:

**“Outstanding Bonds”** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and 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), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

**“Public Facilities Requirement”** means either \$1,975,000 in 2020 dollars, which shall increase on January 1, 2021, and on each January 1 thereafter by 2% of the amount in effect in the prior year, or such other number as shall be determined by CMFA as sufficient to fund improvements that are authorized to be funded by the CFD. The Public

Facilities Requirement shown above may be adjusted each time property annexes into Improvement Area No. 1 or there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

**“Remaining Facilities Costs”** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity, and any other source of funding.

*1. Full Prepayment*

The Special Tax obligation applicable to a Parcel in Improvement Area No. 1 may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide CMFA with written notice of intent to prepay. Within 30 days of receipt of such written notice, CMFA or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 60 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by CMFA by applying the Base Special Tax to the Expected Land Uses for the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Special Tax Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in Improvement Area No. 1, as shown in Attachment 2 and as adjusted by the Administrator after prepayments or Land Use Changes.

- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the “Bond Redemption Amount”*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8, and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest CMFA 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 computed pursuant to Step 8 from the amount computed pursuant to Step 7 (*the “Defeasance Requirement”*).
- Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (*the “Administrative Fees and Expenses”*).
- Step 11.** If and to the extent so provided in the Bond Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (*the “Reserve Fund Credit”*).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (*the “Prepayment Amount”*).
- Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt

service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel's Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel's obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## *2. Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## *3. Maintaining Required Coverage*

Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that can be collected from Taxable Property that remains subject to the Special Tax after the proposed prepayment is less than the Required Coverage on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which Required Coverage is maintained.

## **I. INTERPRETATION OF RMA**

Interpretations may be made by Resolution of the Board to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to Improvement Area No. 1 or the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. CMFA, upon the request of an owner of land within Improvement Area No. 1 which is not Developed Property, may also amend this RMA in any manner acceptable to CMFA, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within Improvement Area No. 1, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

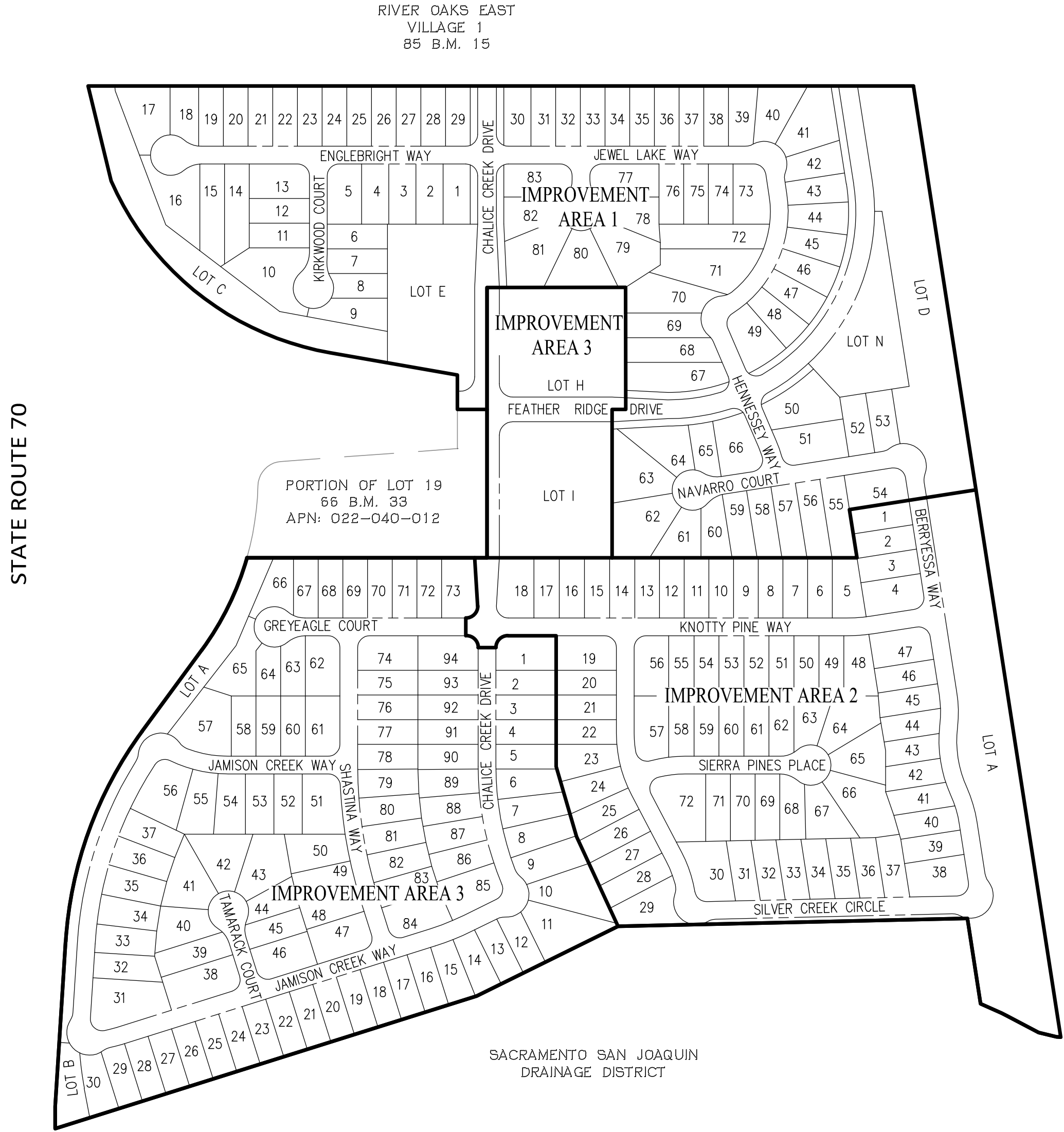
**ATTACHMENT 1**

**Improvement Area No. 1 of the  
California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

***River Oaks South  
Expected Lot Layout***

# ATTACHMENT 1

## Expected Lot Layout



DISCLAIMER:  
"FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT  
A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP  
ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF  
THE LAND DESCRIBED."

- PROPOSED IMPROVEMENT AREA
- PROPOSED LOTS
- PROPOSED RIGHT-OF-WAYS

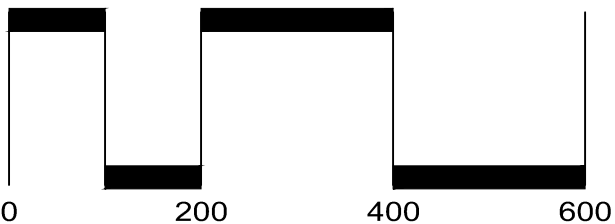
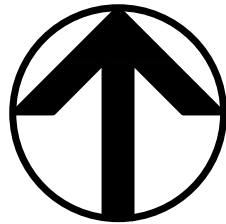
GROSS AREA = 65.780 ACRES  
ASSESSOR'S PARCEL NUMBERS: 022-040-003, 004, 005, 016, 017

# CALIFORNIA MUNICIPAL FINANCE AUTHORITY

## COMMUNITY FACILITIES DISTRICT NO. 2021-1

### (COUNTY OF YUBA - RIVER OAKS SOUTH)

YUBA COUNTY CALIFORNIA  
SCALE: 1"=200' DATE: 12/16/2020



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SHEET 1 OF 1



## ATTACHMENT 2

**Improvement Area No. 1 of the  
California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

**Expected Land Uses and Expected Maximum Special Tax Revenues**

<b>Land Use</b>	<b>Expected Units / Acres</b>	<b>Base Special Tax (FY 2020-21) *</b>	<b>Expected Maximum Special Tax Revenues (FY 2020-21) *</b>
Single Family Detached Property	83 SFD Units	\$1,425 per SFD Unit	\$118,275
Non-Residential Property	0 Acres	\$8,273 per Acre	\$0
Other Property	0 Acres	\$8,273 per Acre	\$0
<b>Expected Maximum Special Tax Revenues (FY 2020-21 \$)</b>			<b>\$118,275</b>

\* On July 1, 2021, and each July 1 thereafter, all dollar amounts shown above shall be increased by 2% of the amount in effect in the prior Fiscal Year.

**EXHIBIT D**

**California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
FOR IMPROVEMENT AREA NO. 2**

**IMPROVEMENT AREA NO. 2 OF THE  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-1  
(COUNTY OF YUBA – RIVER OAKS SOUTH)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 2 of the California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South) shall be levied and collected according to the tax liability determined by the Board 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 the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 2 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** 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 parcel map recorded at the County Recorder's Office.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of CMFA in carrying out its duties with respect to Improvement Area No. 2, the CFD, and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for CMFA and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of CMFA and the County in any way related to the establishment or administration of Improvement Area No. 2 and the CFD.

**“Administrator”** shall mean the person or firm designated by CMFA to administer the Special Tax according to this RMA.

**“Assessor's Parcel” or “Parcel”** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

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

**“Authorized Facilities”** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**“Base Special Tax”** means, for any Special Tax Category, the applicable Special Tax initially identified in Table 1 of Section C, as may be adjusted pursuant to Section D.

**“Board”** means the Board of Directors of CMFA.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by Improvement Area No. 2 to fund Authorized Facilities.

**“Building Permit”** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

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

**“CFD”** means the California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South).

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

**“CMFA”** means the California Municipal Finance Authority.

**“County”** means the County of Yuba.

**“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 for new construction was issued prior to June 30 of the preceding Fiscal Year.

**“Development Class”** means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**“Expected Land Uses”** means the number of SFD Units and the acreage of Non-Residential Property and Other Property expected within Improvement Area No. 2 at CFD Formation, as identified in Attachments 1 and 2 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 2 each time there is a Land Use Change. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

**“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 at CFD Formation are shown in Attachment 2 and may be revised pursuant to Section D below.

**“Final Map”** means a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates SFD Lots. The term “Final Map” shall not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

**“Final Map Property”** means, in any Fiscal Year, all SFD Lots created within Final Maps that had recorded prior to June 30 of the preceding Fiscal Year and which have not yet become Developed 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 Parcels in Improvement Area No. 2.

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

**“Improvement Area No. 2”** means Improvement Area No. 2 of the CFD.

**“Improvement Fund”** means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities or to pay or reimburse eligible impact fees.

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

**“Land Use Change”** means a proposed or approved change to the Expected Land Uses in Improvement Area No. 2 after CFD Formation.

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

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property for which a Building Permit was issued for an office, commercial, retail, industrial or mixed-use building, as determined by the Administrator.

**“Other Property”** means any Parcel of Developed Property in Improvement Area No. 2 that does not fit within the definition of Single Family Detached Property or Non-Residential Property.

**“Owners Association”** means a homeowners association or property owners 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 Improvement Area No. 2 that is owned in fee or through easement by the 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 boundaries of Improvement Area No. 2 that is owned by the County, federal government, State of California, or other public agency.

**“Required Coverage”** means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**“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 an SFD Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved Tentative Map.

**“SFD Unit”** means a residential dwelling unit that does not share a common wall with another residential dwelling unit. A second unit (granny flat) that shares a Parcel with an SFD Unit shall not be considered an SFD Unit for purposes of levying the Special Tax.

**“Single Family Detached Property”** means, in any Fiscal Year, all Parcels of Developed Property for which a Building Permit was issued for construction of an SFD Unit.

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

**“Special Tax Category”** means one of the three categories of land uses for which a Special Tax amount is set forth in Table 1 of Section C below.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support, and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Final Map Property and Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are

available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of CMFA, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of CMFA.

**“Taxable Owners Association Property”** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Owners Association Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association 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 of the Parcels within the boundaries of Improvement Area No. 2 that are 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 Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Public Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it is 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 a tentative map or substantial conformance exhibit for property in Improvement Area No. 2, including any adjustments or amendments thereto.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Final Map Property or Developed Property, as defined herein.

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

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class; (ii) for Developed Property, categorize each Parcel as Single Family Detached Property, Non-Residential Property, or Other Property; (iii) for Non-Residential and Other Property, determine the Acreage of each Parcel; and (iv) determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Final Maps, and Building Permits to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 2 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new

Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## **C. MAXIMUM SPECIAL TAX**

### *1. Developed Property*

The Maximum Special Tax for a Parcel of Developed 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 1  
Base Special Tax  
Developed Property**

<b>Special Tax Category</b>	<b>Base Special Tax Fiscal Year 2020-21 *</b>
Single Family Detached Property	\$1,425 per SFD Unit
Non-Residential Property	\$9,427 per Acre
Other Property	\$9,427 per Acre

**\* On July 1, 2021, and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.**

### *2. Final Map Property*

The Maximum Special Tax for Final Map Property is \$1,425 per SFD Lot for Fiscal Year 2020-21, which amount shall increase on July 1, 2021 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

### *3. Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property*

The Maximum Special Tax for Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property is \$9,427 per Acre for Fiscal Year 2020-21, which amount shall increase on July 1, 2021, 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 THE MAXIMUM SPECIAL TAX**

### *1. Land Use Changes*

The Expected Maximum Special Tax Revenues shown in Attachment 2 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is 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.

**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. Upon approval of the Land Use Change, the Administrator shall update Attachment 2 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 below must be applied:

- Step 1:** By reference to Attachment 2 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D 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 based on application of the Base Special Taxes from Table 1.
- Step 3:** If the revenues calculated in Step 2 are (i) higher than those 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 2 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 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 by the due date specified above, the Base Special Tax used to determine the Maximum Special Tax for each Parcel of

Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

Pursuant to this Section D.1, the Administrator may from time to time update Attachment 2 to reflect revised Expected Maximum Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.”

If multiple Land Use Changes are proposed simultaneously by a single landowner (which may include approval of multiple Final Maps at one time), and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no prepayment has been received, then the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes shall be increased proportionately until the aggregate amount that can be levied within such areas 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, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

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

The duties imposed on the Administrator pursuant to this Section D 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 a 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. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 2 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues for Improvement Area No. 2. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

### 3. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the applicable Base Special Tax for the Parcel, as determined by the Administrator.

## **E. METHOD OF LEVY OF THE SPECIAL TAX**

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

- 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 of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.
- Step 2:** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.
- Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.
- Step 4:** If additional revenue is needed after Step 3, 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 until the amount levied is equal to the Special Tax Requirement.
- Step 5:** If additional revenue is needed after Step 4, 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 until the amount levied is equal to the Special Tax Requirement.

## **F. MANNER OF COLLECTION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that CMFA may: (i) directly bill the Special Tax, (ii) collect Special Taxes at a different time or in a different manner, (iii) strip delinquent Special

Taxes off the tax roll to pursue collection, and (iv) may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2060-61. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

#### **G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

- (1) Public Property, except Taxable Public Property.
- (2) Owners Association Property, except Taxable Owners Association Property.
- (3) Parcels that are owned by a public utility for an unmanned facility.
- (4) Parcels that are subject to an easement that precludes any other use on the Parcel.
- (5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

#### **H. PREPAYMENTS**

The following definitions apply to this Section H:

**“Outstanding Bonds”** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and 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), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

**“Public Facilities Requirement”** means either \$1,715,000 in 2020 dollars, which shall increase on January 1, 2021, and on each January 1 thereafter by 2% of the amount in effect in the prior year, or such other number as shall be determined by CMFA as sufficient to fund improvements that are authorized to be funded by the CFD. The Public

Facilities Requirement shown above may be adjusted each time property annexes into Improvement Area No. 2 or there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

**“Remaining Facilities Costs”** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity, and any other source of funding.

*1. Full Prepayment*

The Special Tax obligation applicable to a Parcel in Improvement Area No. 2 may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide CMFA with written notice of intent to prepay. Within 30 days of receipt of such written notice, CMFA or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 60 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by CMFA by applying the Base Special Tax to the Expected Land Uses for the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Special Tax Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in Improvement Area No. 2, as shown in Attachment 2 and as adjusted by the Administrator after prepayments or Land Use Changes.

- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the “Bond Redemption Amount”*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8, and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest CMFA 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 computed pursuant to Step 8 from the amount computed pursuant to Step 7 (*the “Defeasance Requirement”*).
- Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (*the “Administrative Fees and Expenses”*).
- Step 11.** If and to the extent so provided in the Bond Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (*the “Reserve Fund Credit”*).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (*the “Prepayment Amount”*).
- Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt

service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel's Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel's obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## *2. Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## *3. Maintaining Required Coverage*

Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that can be collected from Taxable Property that remains subject to the Special Tax after the proposed prepayment is less than the Required Coverage on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which Required Coverage is maintained.

# **I. INTERPRETATION OF RMA**

Interpretations may be made by Resolution of the Board to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to Improvement Area No. 2 or the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. CMFA, upon the request of an owner of land within Improvement Area No. 2 which is not Developed Property, may also amend this RMA in any manner acceptable to CMFA, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within Improvement Area No. 2, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

**ATTACHMENT 1**

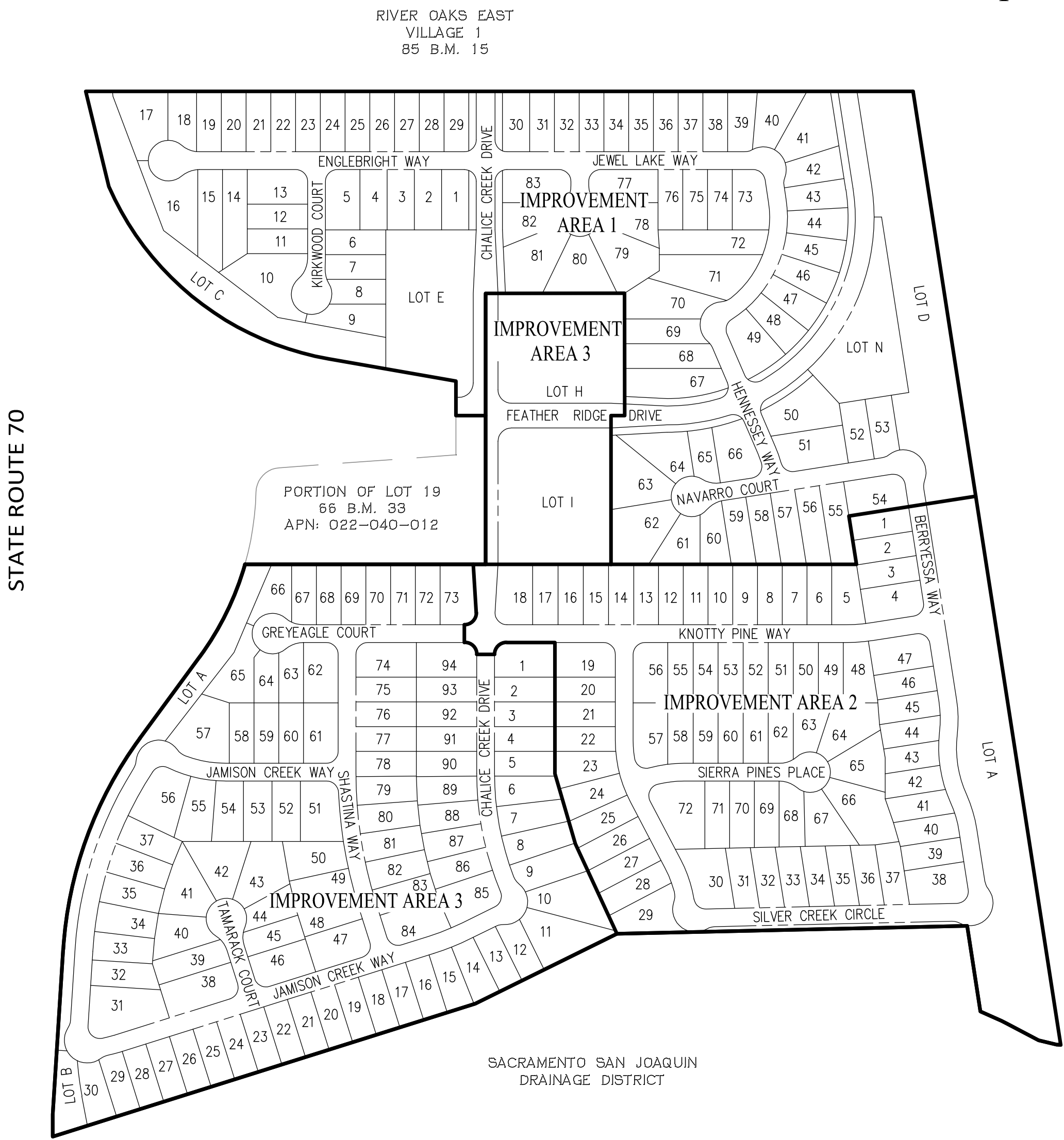
**Improvement Area No. 2 of the  
California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

***River Oaks South  
Expected Lot Layout***



# ATTACHMENT 1

## Expected Lot Layout



DISCLAIMER:  
"FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT  
A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP  
ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF  
THE LAND DESCRIBED."

- PROPOSED IMPROVEMENT AREA
- PROPOSED LOTS
- PROPOSED RIGHT-OF-WAYS

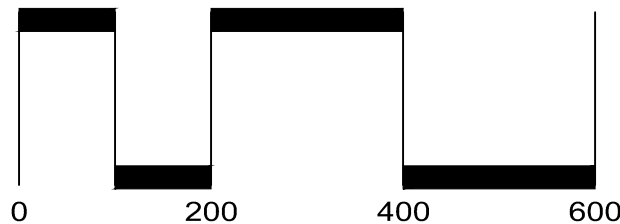
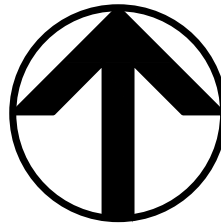
GROSS AREA = 65.780 ACRES  
ASSESSOR'S PARCEL NUMBERS: 022-040-003, 004, 005, 016, 017

# CALIFORNIA MUNICIPAL FINANCE AUTHORITY

## COMMUNITY FACILITIES DISTRICT NO. 2021-1

### (COUNTY OF YUBA - RIVER OAKS SOUTH)

YUBA COUNTY CALIFORNIA  
SCALE: 1"=200' DATE: 12/16/2020



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SHEET 1 OF 1

## ATTACHMENT 2

**Improvement Area No. 2 of the  
California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

**Expected Land Uses and Expected Maximum Special Tax Revenues**

<b>Land Use</b>	<b>Expected Units / Acres</b>	<b>Base Special Tax (FY 2020-21) *</b>	<b>Expected Maximum Special Tax Revenues (FY 2020-21) *</b>
Single Family Detached Property	72 SFD Units	\$1,425 per SFD Unit	\$102,600
Non-Residential Property	0 Acres	\$9,427 per Acre	\$0
Other Property	0 Acres	\$9,427 per Acre	\$0
<b>Expected Maximum Special Tax Revenues (FY 2020-21 \$)</b>			<b>\$102,600</b>

\* On July 1, 2021, and each July 1 thereafter, all dollar amounts shown above shall be increased by 2% of the amount in effect in the prior Fiscal Year.

**EXHIBIT E**

**California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
FOR IMPROVEMENT AREA NO. 3**

**IMPROVEMENT AREA NO. 3 OF THE  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-1  
(COUNTY OF YUBA – RIVER OAKS SOUTH)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 3 of the California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South) shall be levied and collected according to the tax liability determined by the Board through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 3, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 3 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** 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 parcel map recorded at the County Recorder's Office.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of CMFA in carrying out its duties with respect to Improvement Area No. 3, the CFD, and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for CMFA and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of CMFA and the County in any way related to the establishment or administration of Improvement Area No. 3 and the CFD.

**“Administrator”** shall mean the person or firm designated by CMFA to administer the Special Tax according to this RMA.

**“Assessor's Parcel” or “Parcel”** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

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

**“Authorized Facilities”** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**“Base Special Tax”** means, for any Special Tax Category, the applicable Special Tax initially identified in Table 1 of Section C, as may be adjusted pursuant to Section D.

**“Board”** means the Board of Directors of CMFA.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by Improvement Area No. 3 to fund Authorized Facilities.

**“Building Permit”** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

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

**“CFD”** means the California Municipal Finance Authority Community Facilities District No. 2021-1 (County of Yuba – River Oaks South).

**“CFD Formation”** means the date on which the Resolution of Formation to form the CFD and designate Improvement Area No. 3 was adopted by the Board.

**“CMFA”** means the California Municipal Finance Authority.

**“County”** means the County of Yuba.

**“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 for new construction was issued prior to June 30 of the preceding Fiscal Year.

**“Development Class”** means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**“Expected Land Uses”** means the number of SFD Units and the acreage of Non-Residential Property and Other Property expected within Improvement Area No. 3 at CFD Formation, as identified in Attachments 1 and 2 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 2 each time there is a Land Use Change. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

**“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 at CFD Formation are shown in Attachment 2 and may be revised pursuant to Section D below.

**“Final Map”** means a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates SFD Lots. The term “Final Map” shall not include any large-lot subdivision map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

**“Final Map Property”** means, in any Fiscal Year, all SFD Lots created within Final Maps that had recorded prior to June 30 of the preceding Fiscal Year and which have not yet become Developed 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 Parcels in Improvement Area No. 3.

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

**“Improvement Area No. 3”** means Improvement Area No. 3 of the CFD.

**“Improvement Fund”** means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities or to pay or reimburse eligible impact fees.

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

**“Land Use Change”** means a proposed or approved change to the Expected Land Uses in Improvement Area No. 3 after CFD Formation.

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

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property for which a Building Permit was issued for an office, commercial, retail, industrial or mixed-use building, as determined by the Administrator.

**“Other Property”** means any Parcel of Developed Property in Improvement Area No. 3 that does not fit within the definition of Single Family Detached Property or Non-Residential Property.

**“Owners Association”** means a homeowners association or property owners 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 Improvement Area No. 3 that is owned in fee or through easement by the 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 boundaries of Improvement Area No. 3 that is owned by the County, federal government, State of California, or other public agency.

**“Required Coverage”** means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**“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 an SFD Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved Tentative Map.

**“SFD Unit”** means a residential dwelling unit that does not share a common wall with another residential dwelling unit. A second unit (granny flat) that shares a Parcel with an SFD Unit shall not be considered an SFD Unit for purposes of levying the Special Tax.

**“Single Family Detached Property”** means, in any Fiscal Year, all Parcels of Developed Property for which a Building Permit was issued for construction of an SFD Unit.

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

**“Special Tax Category”** means one of the three categories of land uses for which a Special Tax amount is set forth in Table 1 of Section C below.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support, and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Final Map Property and Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are

available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of CMFA, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of CMFA.

**“Taxable Owners Association Property”** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Owners Association Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association 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 of the Parcels within the boundaries of Improvement Area No. 3 that are 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 Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale; (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Public Property as determined by the Administrator; and (iii) if the Parcel were to be exempt from the Special Tax because it is 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 a tentative map or substantial conformance exhibit for property in Improvement Area No. 3, including any adjustments or amendments thereto.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Final Map Property or Developed Property, as defined herein.

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

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class; (ii) for Developed Property, categorize each Parcel as Single Family Detached Property, Non-Residential Property, or Other Property; (iii) for Non-Residential and Other Property, determine the Acreage of each Parcel; and (iv) determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Final Maps, and Building Permits to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 3 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new



Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## **C. MAXIMUM SPECIAL TAX**

### *1. Developed Property*

The Maximum Special Tax for a Parcel of Developed 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 1  
Base Special Tax  
Developed Property**

<b>Special Tax Category</b>	<b>Base Special Tax Fiscal Year 2020-21 *</b>
Single Family Detached Property	\$1,425 per SFD Unit
Non-Residential Property	\$10,500 per Acre
Other Property	\$10,500 per Acre

**\* On July 1, 2021, and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.**

### *2. Final Map Property*

The Maximum Special Tax for Final Map Property is \$1,425 per SFD Lot for Fiscal Year 2020-21, which amount shall increase on July 1, 2021 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

### *3. Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property*

The Maximum Special Tax for Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property is \$10,500 per Acre for Fiscal Year 2020-21, which amount shall increase on July 1, 2021, 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 THE MAXIMUM SPECIAL TAX**

### *1. Land Use Changes*

The Expected Maximum Special Tax Revenues shown in Attachment 2 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is 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.

**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. Upon approval of the Land Use Change, the Administrator shall update Attachment 2 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 below must be applied:

- Step 1:** By reference to Attachment 2 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D 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. 3 after the Land Use Change based on application of the Base Special Taxes from Table 1.
- Step 3:** If the revenues calculated in Step 2 are (i) higher than those 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 2 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 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 by the due date specified above, the Base Special Tax used to determine the Maximum Special Tax for each Parcel of

Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

Pursuant to this Section D.1, the Administrator may from time to time update Attachment 2 to reflect revised Expected Maximum Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.”

If multiple Land Use Changes are proposed simultaneously by a single landowner (which may include approval of multiple Final Maps at one time), and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no prepayment has been received, then the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes shall be increased proportionately until the aggregate amount that can be levied within such areas 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, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

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

The duties imposed on the Administrator pursuant to this Section D 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 a 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. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 2 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues for Improvement Area No. 3. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

### 3. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the applicable Base Special Tax for the Parcel, as determined by the Administrator.

## **E. METHOD OF LEVY OF THE SPECIAL TAX**

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

- 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 of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.
- Step 2:** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.
- Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.
- Step 4:** If additional revenue is needed after Step 3, 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 until the amount levied is equal to the Special Tax Requirement.
- Step 5:** If additional revenue is needed after Step 4, 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 until the amount levied is equal to the Special Tax Requirement.

## **F. MANNER OF COLLECTION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that CMFA may: (i) directly bill the Special Tax, (ii) collect Special Taxes at a different time or in a different manner, (iii) strip delinquent Special

Taxes off the tax roll to pursue collection, and (iv) may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2060-61. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

#### **G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

- (1) Public Property, except Taxable Public Property.
- (2) Owners Association Property, except Taxable Owners Association Property.
- (3) Parcels that are owned by a public utility for an unmanned facility.
- (4) Parcels that are subject to an easement that precludes any other use on the Parcel.
- (5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

#### **H. PREPAYMENTS**

The following definitions apply to this Section H:

**“Outstanding Bonds”** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and 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), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

**“Public Facilities Requirement”** means either \$2,725,000 in 2020 dollars, which shall increase on January 1, 2021, and on each January 1 thereafter by 2% of the amount in effect in the prior year, or such other number as shall be determined by CMFA as sufficient to fund improvements that are authorized to be funded by the CFD. The Public

Facilities Requirement shown above may be adjusted each time property annexes into Improvement Area No. 3 or there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

**“Remaining Facilities Costs”** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity, and any other source of funding.

*1. Full Prepayment*

The Special Tax obligation applicable to a Parcel in Improvement Area No. 3 may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide CMFA with written notice of intent to prepay. Within 30 days of receipt of such written notice, CMFA or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 60 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by CMFA by applying the Base Special Tax to the Expected Land Uses for the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Special Tax Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in Improvement Area No. 3, as shown in Attachment 2 and as adjusted by the Administrator after prepayments or Land Use Changes.

- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the “Bond Redemption Amount”*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8, and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest CMFA 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 computed pursuant to Step 8 from the amount computed pursuant to Step 7 (*the “Defeasance Requirement”*).
- Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (*the “Administrative Fees and Expenses”*).
- Step 11.** If and to the extent so provided in the Bond Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (*the “Reserve Fund Credit”*).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (*the “Prepayment Amount”*).
- Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt

service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel's Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel's obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## *2. Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## *3. Maintaining Required Coverage*

Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that can be collected from Taxable Property that remains subject to the Special Tax after the proposed prepayment is less than the Required Coverage on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which Required Coverage is maintained.

# **I. INTERPRETATION OF RMA**

Interpretations may be made by Resolution of the Board to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to Improvement Area No. 3 or the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. CMFA, upon the request of an owner of land within Improvement Area No. 3 which is not Developed Property, may also amend this RMA in any manner acceptable to CMFA, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within Improvement Area No. 3, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.



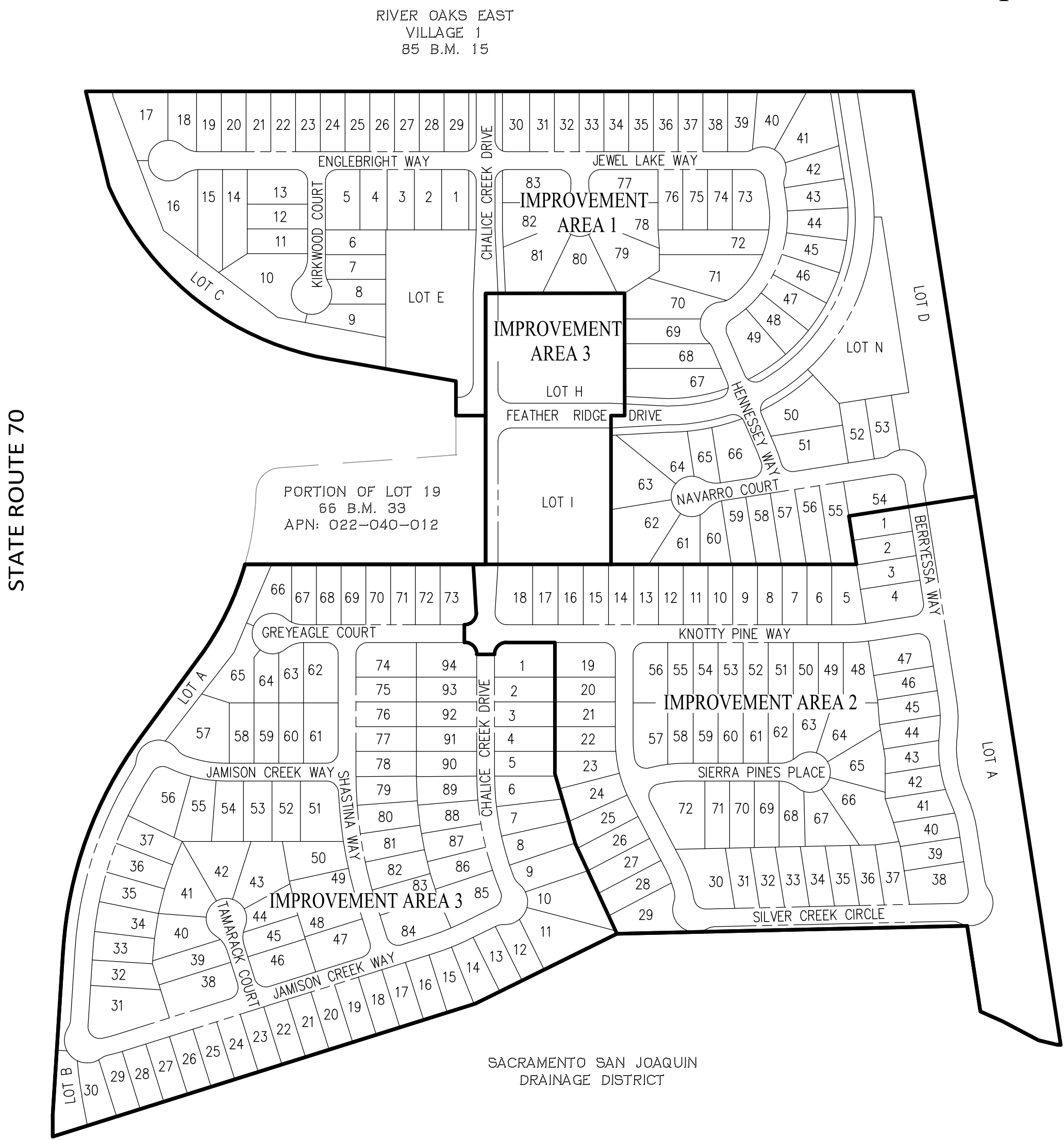
**ATTACHMENT 1**

**Improvement Area No. 3 of the  
California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

***River Oaks South  
Expected Lot Layout***

# ATTACHMENT 1

## Expected Lot Layout



DISCLAIMER:  
"FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT  
A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP  
ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF  
THE LAND DESCRIBED."

- PROPOSED IMPROVEMENT AREA
- PROPOSED LOTS
- PROPOSED RIGHT-OF-WAYS

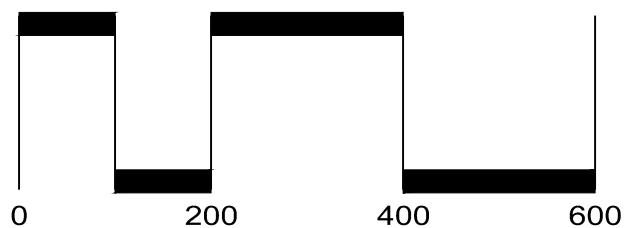
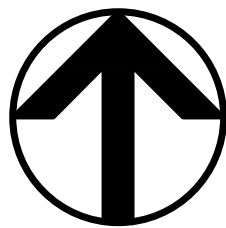
GROSS AREA = 65.780 ACRES  
ASSESSOR'S PARCEL NUMBERS: 022-040-003, 004, 005, 016, 017

# CALIFORNIA MUNICIPAL FINANCE AUTHORITY

## COMMUNITY FACILITIES DISTRICT NO. 2021-1

### (COUNTY OF YUBA - RIVER OAKS SOUTH)

YUBA COUNTY CALIFORNIA  
SCALE: 1"=200' DATE: 12/16/2020



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SHEET 1 OF 1

## ATTACHMENT 2

**Improvement Area No. 3 of the  
California Municipal Finance Authority  
Community Facilities District No. 2021-1  
(County of Yuba – River Oaks South)**

**Expected Land Uses and Expected Maximum Special Tax Revenues**

<b>Land Use</b>	<b>Expected Units / Acres</b>	<b>Base Special Tax (FY 2020-21) *</b>	<b>Expected Maximum Special Tax Revenues (FY 2020-21) *</b>
Single Family Detached Property	94 SFD Units	\$1,425 per SFD Unit	\$133,950
Non-Residential Property	2.74 Acres	\$10,500 per Acre	\$28,770
Other Property	0 Acres	\$10,500 per Acre	\$0
<b>Expected Maximum Special Tax Revenues (FY 2020-21 \$)</b>			<b>\$162,720</b>

\* On July 1, 2021, and each July 1 thereafter, all dollar amounts shown above shall be increased by 2% of the amount in effect in the prior Fiscal Year.



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## **SOARING RANCH COMMUNITY FACILITIES DISTRICT SUMMARY AND RECOMMENDATIONS**

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**Applicant:** J-MAR 1, LLC

**Action:** Approval

**Amount:** \$4,675,000

**Purpose:** Approve Resolutions Forming CMFA Community Facilities District No. 2021-3 (Town of Truckee—Soaring Ranch), Designating Improvement Area No. 1, Authorizing Incurrence of Bonded Indebtedness and Holding a Special Landowner Election

**Activity:** BOLD/ Community Facilities District

**Meeting:** February 26, 2021

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### Background and Resolutions:

The CMFA’s BOLD Program (“BOLD”) utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the “Act”) to raise revenues for the infrastructure needs of local agencies in California. The Town of Truckee (the “Town”) is a member of the CMFA and a participant in BOLD. J-Mar 1, LLC (the “Developer”) previously submitted an application to the CMFA to use BOLD in relation to the Developer’s proposed development of certain property located in the Town. The CMFA and the Town previously accepted such application, and on January 15, 2021, the Board of Directors of the CMFA took the initial steps toward formation of a community facilities district for the project under the Act. The resolutions being considered by the Board on February 26, 2021 will complete the formation of the community facilities district and authorize the levying of special taxes and incurrence of bonded indebtedness for the community facilities district.

As an initial step in using BOLD for the financing of public infrastructure to be owned by a local agency such as the Town, the CMFA needs to form a community facilities district. On January 15<sup>th</sup>, 2021, the CMFA adopted a resolution stating its intention to form a proposed community facilities district (the “Resolution of Intention to Form CFD”) to be called California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch) (the “CFD”), and a resolution stating its intention to incur bonded indebtedness for such CFD (the “Resolution of Intention to Incur Bonded Indebtedness”).

Under the Act, the process of completing the formation of the CFD requires a noticed public hearing, the adoption of a resolution forming the CFD, the holding of a landowner election, and the adoption of an ordinance levying the special taxes. To form the CFD, the Board of Directors of the CMFA will first hold a public hearing on the formation of the CFD and the incurrence of bonded indebtedness for the CFD and consider any public comments received. After such public hearing, if there is no majority protest received, the Board of Directors of the CMFA can then proceed to adopt the resolution of formation for the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Forming California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch).

Next, the Board of Directors of the CMFA can adopt a resolution authorizing the issuance of debt for the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Determining Necessity to Incur Bonded Indebtedness and Other Debt in and for California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch) (the “Resolution Determining Necessity”).

After adoption of the Resolution Determining Necessity, the Board of Directors of the CMFA can proceed to adopt a resolution calling for a special landowner election of the CFD. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Calling Special Election in and for California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch) (the “Resolution Calling Election”). The election is allowed to be held as part of this meeting since timing waivers from 100% of the landowner voters have been received by the CMFA. The Secretary will canvass the results of the landowner election. These ballots have already been received by the Secretary.

The Board of Directors of the CMFA can then proceed to adopt a resolution declaring the results of the landowner election for the CFD and directing filing of the Notice of the Special Tax Lien with the County Recorder for Nevada County. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien in California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch) (the “Resolution Declaring Election Results”). The special tax lien puts the rate and method of apportionment on record for all parcels within the applicable Community Facilities District.

The final legislative act is the introduction of an ordinance levying special taxes on the land in the CFD. Assuming its introduction on February 26, 2021, the ordinance can be finally adopted at a subsequent Board meeting.

#### The Project:

The project, known as “Soaring Ranch”, consists of an already developed phase, which includes a Raley’s “O-N-E” Market (grocery store), a hardware store, and additional commercial space. The first phase building area is approximately 59K sf. Only phase 1 is included within Improvement Area No. 1. The second phase will be a mixed-use development consisting of approximately 33K sf of commercial space and up to 69 multi-family residential units (residential above the ground

floor commercial). The second phase land area received planning level approval from the Town of Truckee in 2018 for up to 65K sf of commercial space. Since that time, the approval has been amended to reduce the amount of retail square footage by roughly half to 33K and approximately 69 units of upper level multi-family housing above the retail has been added. The third and final phase of Soaring Ranch, which has yet to be submitted to the Town of Truckee for review and approval, is planned to consist of up to 130 multi-family residential units; 26 of which will be designed for first-time homebuyers. The second and third phases will be included in a future annexation area.

The significant backbone offsite infrastructure for the whole of the 16.3 acre Soaring Ranch development is substantially complete. This includes a new traffic roundabout, a mile-long class 1 bike and pedestrian trail, intersection and signalization upgrades to the State Route (SR) 267 intersection, a new transit shelter, and utility extensions for gas, telephone, cable, water, and electric. Additional future infrastructure includes water and electrical loop extensions as required by the Truckee Donner Public Utility District and is planned to be constructed in conjunction with Phase- 2.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$4,675,000 on behalf of the CFD and all improvement areas therein.

#### Future Action:

The Ordinance Levying Special Taxes will need to be finally adopted at a future meeting of the Board of Directors. Bonds payable from the special taxes are expected to be issued in the summer of 2021, subject to further resolution and approval. The three improvement areas of this community facilities district may be combined as a pooled financing (by itself), or it may be pooled with one or more other districts.

#### Authorized Facilities:

Authorized facilities and costs that may be funded through the Community Facilities District (“CFD”) include the following public facilities and administrative and incidental expenses:

##### Public Facilities Financed Through Development Impact Fees:

- Roadway and Transportation Improvements
- Water System Improvements
- Drainage System and Flood Protection Improvements
- Electrical Utility
- Trails and Landscaping
- Traffic mitigation impact fees

Authorized facilities also include Prepayment of Administrative and Incidental Expenses.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Formation, the Resolution Determining Necessity to Incur Bonded Indebtedness in an amount not to exceed \$4,675,000, the Resolution Calling Election, the Resolution Declaring Election Results, and introduce the Ordinance.

**EXHIBIT A**

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-3  
(TOWN OF TRUCKEE – SOARING RANCH)**

**COMMUNITY FACILITIES DISTRICT HEARING REPORT**

**CONTENTS**

Introduction

- A. Description of Facilities
- B. Cost Estimates
- C. Proposed Boundaries of the Community Facilities District
- D. Rate and Method of Apportionment of Special Tax

\* \* \* \* \*

Exhibit A – Description of the Proposed Facilities to be Financed by the CFD and Each Improvement Area Therein

Exhibit B – Cost Estimates

Exhibit C – Rate and Method of Apportionment of Special Tax, Improvement Area No. 1



**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2021-3  
(TOWN OF TRUCKEE – SOARING RANCH)**

**INTRODUCTION**

The Board of Directors (the “**Board**”) of the California Municipal Financing Authority (the “**Authority**”) did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), on January 15, 2021, adopt a resolution entitled, “Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Establish California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch), Designate Improvement Area No. 1 Therein and Establish Future Annexation Area, and to Levy a Special Tax Therein to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District” (the “**Resolution of Intention**”). In the Resolution of Intention, the Board expressly ordered the preparation of a written Community Facilities District Report (the “**Report**”) for the proposed California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch) (the “**CFD**”).

The Resolution of Intention ordering the Report directed that the Report generally contain the following:

(a) A description of the facilities (the “**Facilities**”) by type which will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and other debt and all other related costs as provided in Section 53345.3 of the Act.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Board.

**NOW, THEREFORE**, the following data is submitted pursuant to the direction of the Board:

**A. DESCRIPTION OF FACILITIES.** A general description of the proposed Facilities is provided in Exhibit “A” attached hereto and hereby made a part hereof.

**B. COST ESTIMATES.** Cost estimates for the proposed Facilities are set forth in Exhibit “B” attached hereto and hereby made a part hereof.

**C. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the CFD are those properties and parcels on which special taxes may be levied to pay for the Facilities. The proposed boundaries of the CFD, and the specific boundaries of Improvement Area No. 1, are identified in the map entitled

“Proposed Boundaries and Future Annexation Area of California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch), Nevada County, State of California” which has been recorded in the office of the Nevada County Recorder. If property within the Future Annexation Area annexes into the CFD and is designated as a separate improvement area, a consolidated CFD boundary map will be prepared and recorded to reflect the expanded CFD boundaries and thenew improvement area.

**D. RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.** A Rate and Method of Apportionment of Special Tax (the “**RMA**”) has been prepared for Improvement Area No. 1. All of the property located within Improvement Area No. 1, unless exempted by law or by the RMA, shall be taxed for the purpose of financing the Facilities. The Board will annually determine the actual amount of the special tax levy based on the method and subject to the Maximum Special Tax rates contained in the RMA. The RMA for Improvement Area No. 1 is provided in Exhibit “C”, attached hereto and hereby made a part hereof. If property within the Future Annexation Area annexes into the CFD and is designated as a new improvement area, a separate RMA will set forth the rates and method of apportioning special taxes within the new improvement area.

## **EXHIBIT A**

### **California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch)**

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

Authorized facilities and costs that may be funded through the Community Facilities District (“CFD”) include the following public facilities and administrative and incidental expenses.

#### **Roadway and Transportation Improvements**

Traffic roundabout and related improvements including sidewalks, crosswalks, street lighting, traffic signage, and landscaping at the intersection of Soaring Way & Joerger Drive.

Intersection improvements at the juncture of State Route (SR) 267, Soaring Way, and Brockway Road including the widening of the intersection, new dedicated turn lanes, new traffic signalization, drainage facilities, crosswalks, and guardrail.

A new transit shelter on Soaring Way near the new traffic roundabout.

#### **Water System Improvements**

A joint utility trench including the extension of an underground water main along Soaring Way in a westerly direction connecting to the new traffic roundabout.

Construction of a water system loop for the Truckee Donner Public Utility District from the Soaring Way & Joerger Drive roundabout to the Truckee Riverview Sports Park.

#### **Drainage System and Flood Protection Improvements**

Drainage facilities associated with the new traffic roundabout including underground drainage piping and retention pond facilities. Similar facilities were constructed for the SR 267 intersection improvement project including underground drainage piping, retention facilities, and slope retention hydroseed.

#### **Electrical Utility**

Extension of underground electrical lines along Soaring Way in a westerly direction connecting to the new traffic roundabout and a new electrical transformer.

Construction of an electrical system loop for the Truckee Donner Public Utility District from the Soaring Way & Joerger Drive roundabout to the Truckee Riverview Sports Park.

### **Trails and Landscaping**

Construction of a new Class 1 trail and Class 1 trail spurs approximately one mile in length connecting the Truckee Riverview Sports Park to an existing Class 1 trail on the southeast side of SR 267. The new Class 1 trail spurs connect the main Class 1 trail to the newly improved SR 267 intersection.

### **Fees**

Traffic mitigation impact fees were paid to the Town of Truckee related to Soaring Ranch Phase 1, which go into the Town's AB1600 traffic capital improvement program.

### **Administrative and Incidental Expenses**

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Act include these: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, and environmental remediation/mitigation); land acquisition and easement payments for authorized CFD facilities; project management; construction staking; engineering studies and preparation of an engineer's report; utility relocation and demolition costs incidental to construction of the public facilities cost associated with the creation of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; payment of taxes; costs otherwise incurred to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities or planning purposes serving development in the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, the CFD shall fund the direct and indirect expenses incurred by the California Municipal Finance Authority ("CMFA"), the Town and/or any other local agency in carrying out its duties with respect to the CFD and/or any authorized facility, including, but not limited to:

1. The levy and collection of the special taxes
2. The fees and expenses of attorneys and consultants
3. Any fees related to the collection of special taxes
4. An allocable share of the salaries and benefits of any CMFA and Town staff, or consultant fees, directly related thereto and a proportionate amount of CMFA's and the Town's general administrative overhead related thereto
5. Any amounts paid by CMFA and the Town with respect to the CFD
6. Expenses incurred in undertaking action to foreclose on properties for which the payment of special taxes is delinquent
7. Administrative fees of CMFA and the Town and the bond trustee or fiscal agent related to the CFD and the bonds issued by or for the CFD
8. Costs related to the formation of the CFD

9. Reimbursement of costs related to the formation of the CFD advanced by CMFA and the Town, the landowner(s) in the CFD or any party related to any of the foregoing, as well as reimbursement of any costs advanced by CMFA and the Town, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD
10. Costs related to the issuance of bonds by or for the CFD, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, fees and expenses of bond counsel, disclosure counsel, special tax consultant, municipal advisor and appraiser, bond remarketing costs, and all other incidental expenses
11. All other costs and expenses of CMFA or the Town in any way related to the CFD.

## **EXHIBIT B**

### **California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch)**

#### **COST ESTIMATES**

##### **Facilities**

The following is a summary of the estimated costs of acquisition and construction of the Facilities. In addition, the CFD will finance bond and other debt issuance costs, capitalized interest, a debt service reserve fund, the costs of forming the CFD and other costs associated with the sale of bonds and annual administration of the CFD.

<b><u>Facilities</u></b>	<b><u>Estimated Cost</u></b>
Traffic Roundabout	\$1,768,616
Class 1 Trail	\$1,799,934
Engineering & Other Soft Costs	\$393,325
Future Water & Electrical Loop for Public Utility District	\$1,058,804
<b>Total</b>	<b>\$5,020,679</b>

**EXHIBIT C**

**California Municipal Finance Authority  
Community Facilities District No. 2021-3  
(Town of Truckee – Soaring Ranch)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
FOR IMPROVEMENT AREA NO. 1**

## EXHIBIT B

### IMPROVEMENT AREA NO. 1 OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2021-3 (TOWN OF TRUCKEE – SOARING RANCH)

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

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A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 1 of the California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch) shall be levied and collected according to the tax liability determined by the Board 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 the provisions of Section G 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 is adopted for the annexation area.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“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 map recorded at the County Recorder's Office.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of CMFA in carrying out its duties with respect to Improvement Area No. 1, the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for CMFA and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of CMFA and County in any way related to the establishment or administration of Improvement Area No. 1 and the CFD.

**“Administrator”** shall mean the person or firm designated by CMFA to administer the Special Tax according to this RMA.



**“Assessor’s Parcel” or “Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

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

**“Authorized Facilities”** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**“Board”** means the Board of Directors of CMFA.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by or for Improvement Area No. 1 to fund Authorized Facilities.

**“Building Permit”** means a single permit or set of permits required to construct a structure on a Parcel. 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.

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

**“CFD”** means the California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch).

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

**“CMFA”** means the California Municipal Finance Authority.

**“County”** means the County of Nevada.

**“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 for new construction was issued prior to June 30 of the preceding Fiscal Year.

**“Development Class”** means, individually, Developed Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**“Expected Land Uses”** means the number of Acres of Taxable Property expected within Improvement Area No. 1 at CFD Formation, as identified in Attachment 1 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 1 each time there is a Land Use Change or a prepayment. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

**“Expected Maximum Special Tax Revenues”** means the aggregate Special Tax that can be levied based on application of the Maximum Special Tax to the Expected Land Uses. The Expected Maximum Special Tax Revenues at CFD Formation are shown in Attachment 1 and may be revised pursuant to Section D below.

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

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

**“Improvement Area No. 1”** means Improvement Area No. 1 of the CFD.

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

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

**“Land Use Change”** means a proposed or approved change to the Expected Land Uses in Improvement Area No. 1 after CFD Formation, including any change to the Acreage of a Parcel of Taxable Property.

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

**“Owners Association”** means a homeowners association or property owners association that provides services to, and collects assessments, fees, dues, or charges from, property within Improvement Area No. 1.

**“Owners Association Property”** means any property within the boundaries of Improvement Area No. 1 that is owned in fee or by easement by the 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 boundaries of Improvement Area No. 1 that is owned by the Town, federal government, State of California or other public agency.

**“Required Coverage”** means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**“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: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of CMFA, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of CMFA.

**“Taxable Owners Association Property”** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale, (ii) the Parcel was not anticipated to be Owners Association Property as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association 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 of the Parcels within the boundaries of Improvement Area No. 1 that are 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 Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale, (ii) the Parcel was not anticipated to be Public Property, as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is 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 a tentative map or substantial conformance exhibit for property in the CFD, including any adjustments or amendments thereto.

**“Town”** means the Town of Truckee.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property, Taxable Owners Association Property, or Taxable Public Property, as defined herein.

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

Each Fiscal Year, the Administrator shall assign each Parcel of Taxable Property to the appropriate Development Class and determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Assessor's Parcel Maps, and Building Permits to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Development Class than other parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## **C. MAXIMUM SPECIAL TAX**

The Maximum Special Tax for all Parcels of Taxable Property in Improvement Area No. 1 is the greater of: (i) \$22,925 per Acre, which amount shall, on July 1, 2021, and on each July 1 thereafter, be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year, or (ii) the Maximum Special Tax determined pursuant to Section D herein.

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

### *1. Land Use Changes*

The Expected Maximum Special Tax Revenues shown in Attachment 1 were originally 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 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.

**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. 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 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 the CFD after the Land Use Change based on application of the Maximum Special Taxes from Section C herein.
- Step 3:** If the revenues calculated in Step 2 are (i) higher than those 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 Parcel owned by the Requesting Landowner that was Undeveloped Property at the time the Administrator prepared the prepayment estimate, **or**

**3.b.** If a prepayment is not received by the due date specified above, the per-Acre Maximum Special Tax for each Parcel of Taxable Property in the area affected by the Land Use Change (as determined by the Administrator) shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

Pursuant to this Section D.1, the Administrator may from time to time update Attachment 1 to reflect revised Expected Maximum Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

If multiple Land Use Changes are proposed simultaneously by a single landowner, and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no

prepayment has been received, then the per-Acre Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes (as determined by the Administrator) shall be increased proportionately until the aggregate amount that can be levied within such areas 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, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

The duties imposed on the Administrator pursuant to this Section D to review Land Use Changes and to 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 a 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. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 1 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues for Improvement Area No. 1. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

## *3. Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the Acreage of the Parcel, as determined by the Administrator.

# **E. METHOD OF LEVY OF THE SPECIAL TAX**

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

**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 of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.

**Step 2:** If additional revenue is needed after Step 1, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

**Step 3:** If additional revenue is needed after Step 2, 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 until the amount levied is equal to the Special Tax Requirement.

**Step 4:** If additional revenue is needed after Step 3, 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 until the amount levied is equal to the Special Tax Requirement.

#### **F. MANNER OF COLLECTION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that CMFA may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2061-62. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

#### **G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

- (1) Public Property, except Taxable Public Property.
- (2) Owners Association Property, except Taxable Owners Association Property.
- (3) Parcels that are owned by a public utility for an unmanned facility.
- (4) Parcels that are subject to an easement that precludes any other use on the Parcel.
- (5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

## H. PREPAYMENTS

The following definitions apply to this Section H:

**“Outstanding Bonds”** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and 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), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

**“Public Facilities Requirement”** means either \$2.1 million in 2021 dollars, which shall increase on January 1, 2022, and on each January 1 thereafter by 2% of the amount in effect in the prior year, or such other number as shall be determined by CMFA as sufficient to fund improvements that are authorized to be funded by the CFD. The Public Facilities Requirements shown above may be adjusted if property annexes into Improvement Area No. 1 or if there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

**“Remaining Facilities Costs”** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity and any other source of funding.

### 1. *Full Prepayment*

The Special Tax obligation applicable to a Parcel in Improvement Area No. 1 may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide CMFA with written notice of intent to prepay. Within 30 days of receipt of such written notice, CMFA or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 60 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount



As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by CMFA by applying the Maximum Special Tax to the Acreage of the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Special Tax Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in Improvement Area No. 1, as shown in Attachment 1 and as adjusted by the Administrator after prepayments or Land Use Changes.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the “Bond Redemption Amount”*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest CMFA 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 computed pursuant to Step 8 from the amount computed pursuant to Step 7 (*the “Defeasance Requirement”*).

- Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the “*Administrative Fees and Expenses*”).
- Step 11.** If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).
- Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## *2. Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## *3. Maintaining Required Coverage*

Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that can be collected from Taxable Property that remains subject to the Special Tax after the proposed prepayment is less than the Required Coverage on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of

the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which Required Coverage is maintained.

## **I. INTERPRETATION OF RMA**

Interpretations may be made by Resolution of the Board to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to Improvement Area No. 1 or the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. CMFA, upon the request of an owner of land within Improvement Area No. 1 which is not Developed Property may also amend this RMA in any manner acceptable to CMFA, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within Improvement Area No. 1, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease the Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

## **ATTACHMENT 1**

### **Improvement Area No. 1 of the California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch)**

#### **Expected Land Uses and Expected Maximum Special Tax Revenues**

<b>Category</b>	<b>Expected Number of Acres</b>	<b>Maximum Special Tax Fiscal Year 2020-21 *</b>	<b>Expected Maximum Special Tax Revenues *</b>
Taxable Property	5.5 Acres	\$22,925 per Acre	\$126,088
Owner Association Property	0 Acres	\$0	\$0
Public Property	0 Acres	\$0	\$0

\* On July 1, 2021, and each July 1 thereafter, all dollar amounts shown above shall be increased by 2% of the amount in effect in the prior Fiscal Year.

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## **CITY OF ANAHEIM- THE MIX AT CTR CITY SUMMARY**

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Project Sponsor: Manatt Housing Solutions LLC

Action: Resolution

Amount: \$140,000,000

Purpose: Finance Middle Income Multi-Family Rental Housing Facilities Located in the City of Anaheim, Orange County, California

Activity: Middle Income Housing

Meeting: February 26, 2021

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### Missing Middle Market:

Prior to the dissolution of redevelopment in 2012, affordable housing programs in California focused on households earning up to 120% of area median income. Since the dissolution of redevelopment, affordable housing programs in the state are largely limited to those earning no more than 60% of area median income. With rapidly increasing housing costs in the state, many California communities - our members - have market rate rental housing for higher-income residents and subsidized rental housing for lower-income residents but exclude middle-income households who cannot afford the former and do not qualify for the latter. Those households are often referred to as the “missing middle”. As of 2018, California ranks 49th among the United States in the shortage of housing units per resident. The National Low Income Housing Coalition estimates 1.3 million renters in California have incomes at or below federal poverty guidelines, but there are just 286,844 affordable units across the state.

The missing middle includes workers who are critical to California’s economy and critical to California’s individual communities. They provide health care, public safety and services needed in every community.

According to a November 2019 report by the Milken Institute, entitled “Accelerating Workforce Housing Development Across California,” as of 2016 there was a shortage of 61,000 units for moderate-income renters in California (which surely has increased since then). This does not reflect the 41.5 percent of moderate-income renters who are considered “cost-burdened,” meaning they pay more than 30 percent of their pretax income on housing costs and tend to forgo necessities such as health care. As of 2019, not a single California county reported a median rent below \$1,090, with the median rent in the San Francisco area can reach as high as \$4,300.

### Proposed Middle-Income Solution:

The proposed project would provide public benefit by using tax-exempt bonds, issued by the CMFA Special Finance Authority I (an affiliated single purpose “mini-JPA” or the “Authority”) to acquire a market-rate apartment facility and convert it to workforce housing with affordability tiers at 80%, 100% and 120%. Rents would be restricted to 35% of the applicable income tier. No tenants would be evicted. Any tenants above the applicable income limits would be allowed to stay in their units indefinitely but at market rents. Because ownership is governmental, the property would be exempt from property tax. This operating expense savings is enough to restrict rents at the levels described above.

Virtually all of the CMFA public benefit programs enjoy some subsidy or benefit. Compared to our affordable housing projects, this is a much leaner subsidy. Virtually all of our affordable housing projects are exempt from property taxes, AND use:

- Tax-exempt bonds (loss to the US and state treasuries)
- Tax-credits (loss to the US and state treasuries)
- Other federal funds include multiple HUD programs
- Multiple State Housing Funds
- Multiple County Housing Funds
- Multiple City Housing Funds

The CMFA solution provides a single purpose JPA with the City of Anaheim to own the project. It is common in real estate development to create a separate entity for each project. Neither the CMFA nor the municipality would be liable for the liabilities of the single purpose JPA.

In addition, the CMFA will employ a professional insurance consultant to recommend a full complement of insurance to protect the single purpose JPA and its members from the traditional risks of real estate ownership such as fire, flood, slip and fall, etc.

The proposed project would have a nationally recognized property manager to operate the project on a day-to-day basis, and a professional real estate program administrator, Manatt Housing Solutions, to supervise the property manager and all other aspects of project management. As with others, the program is designed to reduce the administrative burden to the CMFA.

#### The Project:

The Mix at CTR City is a 276-unit multi-family apartment building built in 2006, located at 184 W Center Street Promenade in downtown Anaheim across from City Hall. Greystar is the current owner and property manager of the 5-story property consisting of 42 studios, 92 one-bedroom and 142 two-bedroom units with an average unit size of 1,058 square feet. Current site amenities include controlled access, courtyard, fitness center, on-site retail, package service and a pool. This financing will create 276 units of middle-income housing for the City of Anaheim for the next 30 years.

The proceeds of the Series 2021A Bonds will be applied by the Agency for the purpose of (i) financing the acquisition of the Project, (ii) funding deposits into the Series 2021 Capitalized Interest Account, Capital Expense Fund, Operating Reserve Fund, Coverage Reserve Fund, Senior Debt Service Reserve Fund, and Extraordinary Expense Fund for the Series 2021A Bonds, (iii) funding an amount equal to 1/6 of the amount specified in the Operating Plan and Budget for Operating Expenses for the Project into the Operating Account under the Property Management Agreement, and (iv) paying the costs and expenses incidental to the issuance of the Bonds.

Concurrently with the issuance of the Series 2021A Bonds, the Agency is issuing its Series 2021B Bonds. The Series 2021B Bonds will be issued and secured on a subordinate basis to the Series 2021A Bonds under the Indenture.

The Series 2021B Bonds will be directly issued to Manatt Housing Solutions LLC ("MHS") in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to the Project, a business plan for the Agency, and certain intellectual property created by MHS for the Agency. MHS also is the Project Administrator for the Facilities.

#### The City of Anaheim:

The City of Anaheim is a member of the CMFA and has approved a resolution approving, authorizing and directing execution of a Joint Exercise of Powers Agreement relating to the CMFA Special Finance Agency I and the form of a Public Benefit Agreement; and approving the issuance of revenue bonds by said agency for the purpose of financing the acquisition, construction or improvement of projects. Upon closing, the City is expected to receive approximately \$84,000 as part of the CMFA's sharing of Issuance Fees.

#### The Project Administrator:

The Project Administrator (the "Project Administrator") is Manatt Housing Solutions LLC, a California limited liability company, a privately-held multifamily housing investor, and will be responsible for the operation of the Facilities pursuant to a Project Administration Agreement between the Authority and the Project Administrator pursuant to which the Project Administrator

agrees to operate and asset manage the Facilities for the Authority, together with the Property Manager. The Project Administrator is a subsidiary of the national full-service law firm Manatt, Phelps & Phillips, LLP. The Project Administrator's team has been actively involved in institutional real estate investment, acquisition, development, financing and asset management for decades across hundreds of transactions worth billions of dollars. The Project Administrator intends to engage in acquisition activities, and management of similar types of housing projects. The Project Administrator may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Facilities. This is their second Anaheim transaction.

#### The Property Manager:

Greystar California, Inc., a Delaware corporation (the "Property Manager"), will be responsible for managing the Facilities pursuant to a Property Management Agreement dated as of December between the Authority and the Property Manager. The Property Manager has been actively engaged in multifamily property management since its establishment in 1993 and currently operates out of over 60 offices servicing more than 200 markets globally. The Property Manager has approximately 660,000 unit international portfolio ranging from conventional, mixed use, affordable, senior living and renovations/value add products, with an affordable housing portfolio covering 242 communities representing approximately 12,355 units spanning more than 23 states. The Property Manager also has experience in executing over \$15 billion of exterior and interior renovation projects. The Property Manager's Southern California operations covers 270 communities and approximately 67,894 units under management. The Property Manager is integral in preparing annual operating budgets, marketing and leasing the Facilities; collecting rent, including from dwelling units, parking spaces and other rental facilities; managing the payment of operating expenses for the Facilities; maintain and repairs the facilities and managing on-site employees.

#### Estimated Financing:

##### Sources of Funds:

Principal Amount of Series 2021A Bonds:	\$ 116,240,000
Original Issue A Bond Premium:	\$ 12,014,566
Principal Amount of Series 2021T Bonds:	<u>\$ 9,325,000</u>
Total Sources:	\$ 137,579,566

##### Uses of Funds:

Project Acquisition:	\$ 115,000,000
Capitalized Interest Account:	\$ 3,209,062
Operating Reserve Fund:	\$ 745,917
Coverage Reserve Fund:	\$ 1,283,625
DIS Lease Re-Stab Reserve:	\$ 500,000
Capital Reserve Fund:	\$ 3,250,000
Senior Debt Service Reserve Fund:	\$ 6,418,125
Operating Account:	\$ 497,278
Extraordinary Expense Fund:	\$ 500,000
Initial Payment to Project Administrator:	\$ 1,800,000
Costs of Issuance:	<u>\$ 4,375,559</u>
Total Uses:	\$ 137,579,566



Terms of Transaction:

Amount:	\$140,000,000
Maturity:	30 years
Rating:	Unrated
Collateral:	Deed of Trust on property
Bond Purchasers:	Institutional & Sophisticated Investors
Estimated Closing:	March 2021

Public Benefit:

The income distribution is a bell curve, not a straight line, and those earning between 61% - 120% of AMI are in the “fat” part of that distribution. There are perhaps millions of California households who are not in the market to buy a home, for whatever reason, but are nevertheless unable to afford quality rental housing in or near the cities in which they work. The missing middle is a very large segment of the population and, since 2012, largely underserved, population. This is clearly a societal problem in California. Providing public benefit to California communities means providing benefits to all residents and workers, not solely those who are able to utilize low-income housing, hospitals, universities and private schools.

It’s important to recognize that low-income is defined by HUD as 80% of area median income (“AMI”), and below adjusted for family size. The proposed transaction will ensure that at least 40% of the units are reserved for low-income residents, 20% of the units reserved for those earning not more than 100% of AMI and the balance not more than 120% AMI. When the Series 2021 Bonds are issued and the Agency acquires the Facilities, existing tenants will not be displaced regardless of their income category.

**2020 ORANGE COUNTY MAXIMUM INCOME LIMITS**

*California Tax Credit Allocation Committee  
Revised per HUD Notice, Effective April 1, 2020*

Household Occupancy	Low Income 80% AMI	Median Income 100% AMI	Moderate Income 120% AMI
1	\$71,760	\$89,700	\$107,640
2	\$82,000	\$102,500	\$123,000
3	\$92,240	\$115,300	\$138,360
4	\$102,480	\$128,100	\$153,720
5	\$110,720	\$138,400	\$166,080

**2020 MAXIMUM RESTRICTED RENTS**

*(assumes 35% rent to income ratio)*

Unit Type	Low Income 80% AMI	Median Income 100% AMI	Moderate Income 120% AMI
Studio	\$2,093	\$2,616	\$3,140
1 BR	\$2,392	\$2,990	\$3,588
2 BR	\$2,690	\$3,363	\$4,036
Average	\$2,426	\$3,035	\$3,640

### CURRENT RENTS

Unit Type	Market Rents*	In-Place Rents**
Studio	\$2,152	\$1,737
1 BR	\$2,283	\$1,962
2 BR	\$2,692	\$2,345
Average	\$2,424	\$2,051

### AGENCY RENTS\*\*\*

Unit Type	Low Income 80% AMI	Median Income 100% AMI	Moderate Income 120% AMI
Studio	\$1,582	\$1,713	\$1,904
1 BR	\$1,790	\$1,938	\$2,146
2 BR	\$2,132	\$2,277	\$2,589
Average	\$1,867	\$2,010	\$2,254

#### Agency Program Discount to Market Rents:

22.98%	17.08%	7.04%
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\* Per Greystar November 2020 Rent Roll, average market rents

\*\* Per Greystar November 2020 Rent Roll, average in place rents

\*\*\* Blended restricted rents assuming full compliance among Broadway, Doria, & Promenade at closing

#### Finance Team:

Underwriter:	RBC Capital Markets
Bond Counsel:	Jones Hall APLC
Issuer Counsel:	Jones Hall APLC
Real Estate Counsel:	Orrick, Herrington & Sutcliffe LLP
Underwriter Counsel:	Norris George & Ostrow LLP
Property Tax Counsel:	Meyers, Nave, Riback, Silver & Wilson LLP
Asset Manager:	Manatt Housing Solutions LLC
Property Manager:	Greystar
RE Advisor:	Gradient Real Estate Group, LLC
Insurance Consultant:	Woodruff Sawyer
Trustee/Dissemination Agent:	Wilmington Trust, National Association

#### Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve the execution and delivery of a Joint Exercise of Powers Agreement by and between the California Municipal Finance Authority and the City of Anaheim.



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## **INFORMATIONAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS**

- Item: Administrative Issues; A., B., C., D., E., F., G., H., I.
- Action: Each meeting, the board has the opportunity to discuss, without taking any formal actions on items;
- A. Executive Director Report
  - B. Marketing Update
  - C. Membership Update
  - D. Transaction Update
  - E. Legislative Update
  - F. Internal Policies and Procedures
  - G. Legal Update
  - H. Audits Update
  - I. PACE Update



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## **PROCEDURAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CMFA, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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## **PROCEDURAL ITEMS FOR THE CFSC SUMMARY AND RECOMMENDATIONS**

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Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CFSC, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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# Index of Charities

Name	List Date	Page #
California Association of Food Banks	1/15/2021	1
Linda Blair Worldheart Foundation	12/11/2020	2
United Service Organizations, Inc.	3/13/2020	3
VETSHelpingVeterans	2/26/2021	4

California Association of Food Banks

1624 Franklin Street, Suite 722

Oakland , CA 94612

County

Alameda

www.cafoodbanks.org

FEIN

68-0392816

Founded: 1985

Previous Donation: ☒ Yes ☐ No 20,000 12/18/2020 List Date 1/15/2021

**Mission:**

California Association of Food Banks (CAFB) is a membership organization of 41 food banks from throughout the state with a shared mission to build a well-nourished California and a firm commitment to providing cutting-edge leadership in the anti-hunger community.

Our major programs include Farm to Family, which works with growers and packers to provide fresh produce to food banks; statewide programs for food stamp outreach and enrollment; robust state and federal advocacy efforts; produce education; and member services that offer assistance with special projects as well as technical support.

**Impact:**

A donation would assist the organization in their mission of ending hunger in California

**Financial Information:** IRS Form 990 for FY 2018

Revenues:	Amount	%	Notes
Government/Earned	\$26,050,258	85.8%	Please see the attached listing of individual food banks that are a member of this coalition. If you wish to donate to one of them specifically, Please indicate in your resolution.
Contributions	4,153,182	13.7%	
Other	<u>153,103</u>	<u>0.5%</u>	
Total Revenue:	<u>\$30,356,543</u>	<u>100.0%</u>	
Expenses:			
Program	\$29,403,117	96.8%	
Administration	726,287	2.4%	
Fund Raising	<u>234,239</u>	<u>0.8%</u>	
Total Expenses:	<u>\$30,363,643</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$7,100)</u>		
Net Assets:	<u>\$5,071,013</u>		

BOD: Andy Souza; Nicole Suydam; Lisa Houston; James Floros; Kathy Jackson; David Goodman; Anne Holcomb; Michael Flood; Larry Sly; Dave Martinez; Tom Tenorio; Shirley King; Mark Lowry; Kevin Sanchez; Al Brislain; Sara Griffen; Patricia L. Nickols-Butler;

Linda Blair Worldheart Foundation

10061 Riverside Drive, Suite 1003

Toluca Lake , CA 91602

County Los Angeles

www.lindablairworldheart.org

FEIN

20-0279278

Founded: 2004

Previous Donation: ☐ Yes ☒ No

List Date 12/11/2020

**Mission:**

LBWF is a unique safe haven for animals providing top-quality, lifelong care to the animals it rescues. We emphasize proper nutrition, provide first-class veterinary care, comfortable facilities, training, socializing, and of course, an abundance of love. Using the media as an outlet for education, we hope to raise the level of awareness on important issues such as pet overpopulation and dog fighting, as well as debunking the unfounded, illogical and fear-based arguments that all too often lead to breed-specific bans and the heartbreaking extermination of beautiful animals whose only crime is having been born. The recent economic recession and financial crisis have resulted in a record number of foreclosures and people aren't the only ones to suffer in times like these. Homelessness is a harsh reality facing more and more animals, as people heartlessly abandon them or are reluctantly forced to leave them behind at already overcrowded shelters because they can no longer afford to care for them.

**Impact:**

A donation would assist the organization in the furtherance of their mission

**Financial Information:** IRS Form 990 for FY 2018

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	353,906	100.0%	
Other			
Total Revenue:	<u>\$353,906</u>	<u>100.0%</u>	
Expenses:			
Program	\$343,249	92.5%	
Administration	27,970	7.5%	
Fund Raising			
Total Expenses:	<u>\$371,219</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>(\$17,313)</u>		
Net Assets:	<u>\$36,973</u>		

BOD: Linda Blair; M. Katherine Davis; Christopher Amerouso



United Service Organizations, Inc.

2111 Wilson Blvd

Arlington, VA , CA 22201

County Los Angeles

<https://bobhope.uso.org/>

FEIN

13-1610451

Founded: 1941

Previous Donation: ☐ Yes ☒ No

List Date 3/13/2020

**Mission:**

Bob Hope USO provides USO services, programming and outreach at six centers and dozens of military installations across 51,000 square miles in Southern and Central California, from San Luis Obispo to the San Diego County Line.

A 501c3 non-profit organization operating centers around the world including at LAX, Ontario International Airport, Orange County at John Wayne Airport, Palm Springs International Airport, Military Entrance Processing Station Los Angeles and at March ARB Deployment Center.

The USO is not part of the federal government. A congressionally chartered, private organization, the USO relies on the generosity of individuals, organizations and corporations to support its activities, and is powered by a family of volunteers to accomplish our mission of connection.

**Impact:**

A donation would be directed to the **Bob Hope USO**

**Financial Information:**

IRS Form 990 for FY 2018

Revenues:	Amount	%	Notes
Government/Earned	\$20,419,020	15.1%	
Contributions	114,342,925	84.4%	
Other	<u>793,853</u>	<u>0.6%</u>	
Total Revenue:	<u>\$135,555,798</u>	<u>100.0%</u>	
Expenses:			
Program	\$90,292,808	69.7%	
Administration	13,282,155	10.3%	
Fund Raising	<u>25,984,825</u>	<u>20.1%</u>	
Total Expenses:	<u>\$129,559,788</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$5,996,010</u>		
Net Assets:	<u>\$92,238,132</u>		

BOD: 26 Members - none on our BOD

# VETSHelpingVeterans

650 4th Street

Hermosa Beach , CA 90254 County Los Angeles

www.vetshelpingveterans.org

FEIN 47-4311580 Founded: 2015

Previous Donation: ☒ Yes ☐ No 10,000 7/15/2016 List Date 2/26/2021

## **Mission:**

Our mission is to share information and serve veterans. Vets Helping Veterans (VHV), is a charitable, tax-exempt, 501(c)(3) organization, serving veterans through outreach program, website and email accounts directing them towards assistance and provide them with the knowledge and support that they may need. VHV is founded by Veterans to help Veterans (men and women). The foundation focuses it's funding on committed, grass roots organizations that help Veterans and their families getting jobs and become a productive member of the communities they heroically served.

## **Impact:**

A donation would assist them in the continuance of their program

## **Financial Information:** NA - Organization files a 990-N

Revenues:	Amount	%	Notes
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Government/Earned

Contributions

Other

Total Revenue:

Expenses:

Program

Administration

Fund Raising

Total Expenses:

Excess/(Deficit) of

Revenues Over Expenses:

Net Assets: \$25,597

BOD: Robert D. Gasparri; Joseph Connors; Richard Gasparri

	<b>Food Bank</b>	<b>City</b>	<b>Counties Served</b>	<b>Last Donated To</b>	<b>Previous Date</b>
1	<a href="#">Alameda County Community Food Bank</a>	Oakland	Alameda County	6/26/2020	
2	<a href="#">ATCAA Food Bank - Tuolumne County</a>	Jamestown	Tuolumne County	5/8/2020	1/10/2020
3	<a href="#">Community Action Agency of Butte County - North State Food Bank</a>	Chico	Butte, Colusa, Glenn, Plumas, Sierra, and Tehama County	5/8/2020	1/31/2020
4	<a href="#">California Emergency Foodlink</a>	Sacramento	Sacramento County	6/26/2020	
5	<a href="#">Central California Food Bank</a>	Fresno	Fresno County	12/18/2020	12/11/2020
6	<a href="#">Community Action Partnership of Kern</a>	Bakersfield	Kern County	11/20/2020	6/26/2020
7	<a href="#">Community Action Partnership of San Bernardino County</a>	San Bernardino	San Bernardino County	6/12/2020	
8	<a href="#">Community Action of Napa Valley Food Bank</a>	Napa	Napa County	6/26/2020	
9	<a href="#">Community Food Bank of San Benito County</a>	Hollister	San Benito County	12/11/2020	1/10/2020
10	<a href="#">Dignity Health Connected Living</a>	Redding	Shasta County	1/10/2020	
11	<a href="#">Emergency Food Bank</a>	Stockton	San Joaquin County	6/26/2020	
12	<a href="#">Feeding San Diego</a>	San Diego	San Diego County	6/26/2020	
13	<a href="#">FIND - Food In Need of Distribution</a>	Indio	Riverside County	12/11/2020	11/20/2020
14	<a href="#">Food Bank of Contra Costa &amp; Solano</a>	Concord	Contra Costa and Solano County	5/8/2020	
15	<a href="#">Food Bank of El Dorado County</a>	Cameron Park	Alpine and El Dorado County	12/18/20520	1/10/2020
16	<a href="#">Food Bank for Monterey County</a>	Salinas	Monterey County	12/11/2020	6/26/2020
17	<a href="#">Food for People</a>	Eureka	Humboldt County	1/10/2020	
18	<a href="#">FOOD Share of Ventura County</a>	Oxnard	Ventura County	6/26/2020	
19	<a href="#">Foodbank of Santa Barbara</a>	Santa Barbara	Santa Barbara County	6/26/2020	
20	<a href="#">FoodLink for Tulare County</a>	Exeter	Tulare County	6/26/2020	
21	<a href="#">Imperial Valley Food Bank</a>	Imperial	Imperial County	8/7/2020	1/10/2020
22	<a href="#">Interfaith Council of Amador</a>	Jackson	Amador County	6/26/2020	
23	<a href="#">The Jacobs &amp; Cushman San Diego Food Bank</a>	San Diego	San Diego County	1/10/2020	

24	<a href="#">Kings Community Action Organization</a>	Hanford	Kings County	1/10/2020	
25	<a href="#">Los Angeles Regional Food Bank</a>	Los Angeles	Los Angeles County	5/15/2020	1/10/2020
26	<a href="#">Mendocino Food &amp; Nutrition Program - The Fort Bragg Food Bank</a>	Fort Bragg	Mendocino County	11/20/2020	1/31/2020
27	<a href="#">Merced County Food Bank</a>	Merced	Merced County	6/26/2020	
28	<a href="#">Orange County Food Bank</a>	Garden Grove	Orange County	11/20/2020	4/3/2020
29	<a href="#">Placer Food Bank</a>	Roseville	Placer County	6/26/2020	
30	<a href="#">Redwood Empire Food Bank</a>	Santa Rosa	Sonoma County	6/26/2020	10/27/2017
31	<a href="#">The Resource Connection Food Bank</a>	San Andreas	Calaveras County	1/10/2020	
32	<a href="#">Sacramento Food Bank and Family Services</a>	Sacramento	Sacramento County	3/20/2020	
33	<a href="#">SF-Marin Food Bank</a>	San Francisco	Marin and San Francisco County	11/20/2020	4/3/2020
34	<a href="#">Second Harvest of Silicon Valley</a>	San Jose	Santa Clara and San Mateo County	6/26/2020	
35	<a href="#">Second Harvest Food Bank San Joaquin &amp; Stanislaus</a>	Manteca	San Joaquin and Stanislaus County	11/20/2020	6/26/2020
36	<a href="#">Second Harvest Food Bank Orange County</a>	Irvine	Orange County	11/20/2020	3/20/2020
37	<a href="#">Second Harvest Food Bank Santa Cruz County</a>	Watsonville	Santa Cruz County	12/11/2020	6/26/2020
38	<a href="#">SLO Food Bank</a>	San Luis Obispo	San Luis Obispo County	6/26/2020	
39	<a href="#">Westside Food Bank</a>	Santa Monica	Los Angeles County	6/26/2020	
40	<a href="#">Yolo Food Bank</a>	Woodland	Yolo County	6/26/2020	2/7/2014
41	<a href="#">Yuba-Sutter Food Bank</a>	Yuba City	Sutter and Yuba County	6/26/2020	

## Donations as of 2/5/2021

