

# CITY OF FOLSOM

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*Report for:*

**Community Facilities  
District No. 18 (Area-  
Wide Improvement and  
Services) Amendment**

**Public Hearing Report**

**October 2018**

**Prepared by NBS for and on behalf  
of the City of Folsom**

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Prepared by:



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# INTRODUCTION

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The City Council (the “City Council”) of the City of Folsom (the “City”) has, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the “Act”), on October 9, 2018, adopted Resolution No. 10192 entitled the Resolution of Consideration of the City Council of the City of Folsom to (1) Amend Resolution No. 9692 of the City Council of the City of Folsom to Alter the Types of Public Services to be Financed by City of Folsom Community Facilities District No. 18 (Folsom Plan Area - Area-Wide Improvements and Services); and (2) Amend the Rate and Method of Apportionment for Community Facilities District No. 18 (Folsom Plan Area - Area-Wide Improvements and Services), and Related Matters, including Fixing a Time and Place for a Hearing Upon the Resolution (the “Resolution of Consideration”). As part of the amendment proceedings for the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the “District”) a public hearing report (the “Report”) has been prepared.

Section 53321.5 of the Act provides that the Report contain the following:

1. A brief description of the added public services to be provided by the District; and
2. An estimate of the fair and reasonable cost of providing the added public services, including the incidental expenses in connection therewith, any City administration costs, and all other related costs.

For particulars, reference is made to the Resolution of Consideration for the District, as previously adopted on October 9, 2018 by the City Council.

NOW, THEREFORE, the City Manager of the City, the appointed responsible officer directed to prepare the Report or cause the Report to be prepared pursuant to the provisions of the Act, does hereby submit this Report containing the following information:

- **DISTRICT INFORMATION.** Information related to the District, including background information, land use plans, and the proposed boundaries that include those properties and parcels on which special taxes may be levied to pay for the costs and expenses of the added public services.
- **DESCRIPTION OF ADDITIONAL SERVICES.** A description of the services the City Council has determined to be added to the District and are eligible to be funded by the District.
- **COST ESTIMATE.** The cost estimate for the added District services.
- **AMENDED RATE AND METHOD OF APPORTIONMENT.** The Amended Rate and Method of Apportionment of Special Tax approved by this City Council on October 9, 2018.

# DISTRICT INFORMATION

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## District Background

The District is located within the Folsom Plan Area, south of Highway 50. The Folsom Plan Area is located on approximately 3,500 acres and is bounded by Prairie City Road on the west, Highway 50 on the north, White Rock Road on the south, and the Sacramento County/El Dorado County boundary on the east. The Folsom Plan Area is a master-planned community and through June 30, 2016, the City has received and approved several Specific Plan Amendments that have changed the entitlements to include approximately 11,300 residential units of various sizes and densities and approximately 2.8 million building square feet of non-residential land uses.

## District Amendment

The City Council established the District on December 8, 2015, via Resolution No. 9692 (the “Resolution of Formation”), and authorized special taxes to finance the acquisition and construction of certain public facilities and provide funding for certain specified public services.

This District is expected to provide funding for backbone infrastructure and facilities costs, provide funding for Quarry Road improvements and fund the ongoing costs of the Folsom Plan Area maintenance and services to be provided. The District will provide funding for the facilities through a combination of bonded indebtedness and pay as you go funding, both of which are secured by the levy of special taxes upon property within the boundaries of the District.

This amendment to the District is proposed to authorize additional public services and include an additional special tax category to provide funding for the annual costs associated with certain transportation demand management and air quality services (the “TDM Services”). The TDM Services are required as part of the Folsom Plan Area Specific Plan Operational Air Quality Mitigation Plan.

## District Boundaries

The boundaries of the District are identified on the map of the District recorded on October 30, 2015, in Book 119 at Page 17 of Maps of Assessment and Community Facilities Districts in the office of the County Recorder for the County of Sacramento. The District map is on file with the City Clerk, to which reference is hereby made and a reduced copy of such map is set forth in Appendix A of this Report.

## DESCRIPTION OF AMENDED SERVICES

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The District's services are being amended to include TDM Services that will be funded through the levy and collection of an additional special tax category. In addition to the existing authorized services set forth in Exhibit B to the District's Resolution of Formation, the TDM Services to be financed by the District are provided below.

1. Transportation services, including transit pass subsidies, bus shuttle service, guaranteed ride home programs, ridesharing matching, distribution of transit information such as routes, schedules, fares and related information, alternative mode allowances, parking reduction credits, carshare programs, bike and walk to school programs, transit service advocacy, transportation fairs and similar promotional events, and services related to any one or more of the matters specified in this subsection.
2. Air quality mitigation services, including electric equipment rebate programs, electric vehicle support services, vehicle tune-up rebate programs, low emission appliance rebate programs, air quality fairs and similar promotional events, and services related to any one or more of the matters specified in this subsection.
3. Bicycle services, including bicycle racks and lockers at public civic uses, bicycle racks on transit vehicles, bikeshare programs, electrified bicycle promotion, bicycle fairs and similar promotional events, and services related to any one or more of the matters specified in this subsection.
4. Any other services that serve to advance the goals and objectives specified in the above and which the City has approved and which are included within the transportation demand management plan and/or the air quality management plan, each as adopted from time to time by the City.

TDM Services special taxes may also be levied to accumulate funds for the above authorized services.

Proceeds of the additional TDM Services special tax will be used to satisfy the mitigation measure related to and required by the Sacramento Metropolitan Air Quality Maintenance District ("SMAQMD") and that the Folsom Plan Area shall apply for permanent membership in the 50 Corridor TMA. In the event that the 50 Corridor TMA is dissolved, the proceeds of the TDM Services special tax would be used to fund the TDM Services listed above. SMAQMD has confirmed that the amendment to the District's Rate and Method of Apportionment will satisfy this mitigation measure.

# TDM SERVICES COST ESTIMATE

## Estimated Cost of TDM Services

The District is eligible to finance the additional public services described in the Description of Amended Services section of this Report. The estimated annual TDM Services cost is \$346,875 and is based on the Fiscal Year 2018/19 maximum TDM Services special tax rate and ultimate full development of the District. The actual annual TDM Services cost may differ from this estimated annual cost, depending on the status of development within the District and future escalation of the maximum TDM Services special tax rate.

## Maximum TDM Services Special Tax Rate

The determination and application of the maximum special tax rate for the District’s TDM Services is more fully set forth in the Amended Rate and Method of Apportionment, which is included under Exhibit B of this Report. The Amended Rate and Method of Apportionment for the District was included as part of the Resolution of Consideration, approved by the City Council on October 9, 2018, and established the Fiscal Year 2018/19 maximum TDM Services special tax rate. The Fiscal Year 2018/19 maximum TDM Services special tax rate is as follows:

- \$25.00 per TDM Services Equivalent Dwelling Unit (the “EDU”)

TDM Services EDUs are assigned to parcels within the District according to the table below. The table is also included as Attachment H to the Amended Rate and Method of Apportionment.

Land Use Category	TDM Services EDU Factor
<b>Residential:</b>	<b>(Per Unit)</b>
Single Family (1-4 units/acre)	1.00
Single Family – High Density (4-7 units/acre)	1.00
Multi Family – Low Density (7-12 units/acre)	0.85
Multi Family – Medium Density (12-20 units/acre)	0.85
Multi Family – High Density (20-30 units/acre)	0.75
Mixed Use Residential (9-30 units/acre)	0.75
<b>Non-Residential:</b>	<b>(Per Acre)</b>
Private Elementary/Middle School	15.00
Mixed Use Commercial	15.00
Industrial/Office Park	15.00
Community Commercial	15.00
General Commercial	15.00
Regional Commercial	15.00

## **Annual Maximum TDM Services Special Tax Rate Escalation**

On each July 1, commencing on July 1, 2019, the maximum TDM Services special tax rate shall be increased by the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed 4% of the maximum special tax rate in effect for the previous Fiscal Year. In the event that the percentage change is negative, the maximum TDM Services special tax rate escalation shall be equal to zero.

# AMENDED RATE AND METHOD OF APPORTIONMENT

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All of the property located within the District, unless exempted by law or by the Amended Rate and Method of Apportionment, shall be taxed for the purpose of providing the necessary facilities and services for the District. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the cost of making facilities available to each parcel, or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Appendix B, the Amended Rate and Method of Apportionment provides information sufficient to allow each property owner to estimate the maximum special tax that he or she will be required to pay.

## **Term of TDM Services Special Tax**

The District's TDM Services special tax shall be levied commencing in Fiscal Year 2018/19 to the extent necessary to fully satisfy the annual TDM Services special tax requirement. The TDM Services special tax shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the TDM Services special tax requirement.

## **Manner of Collection**

The annual TDM Services special tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the District, may directly bill the special tax, and may collect special taxes at a different time or in a different manner as necessary to meet its financial obligations.



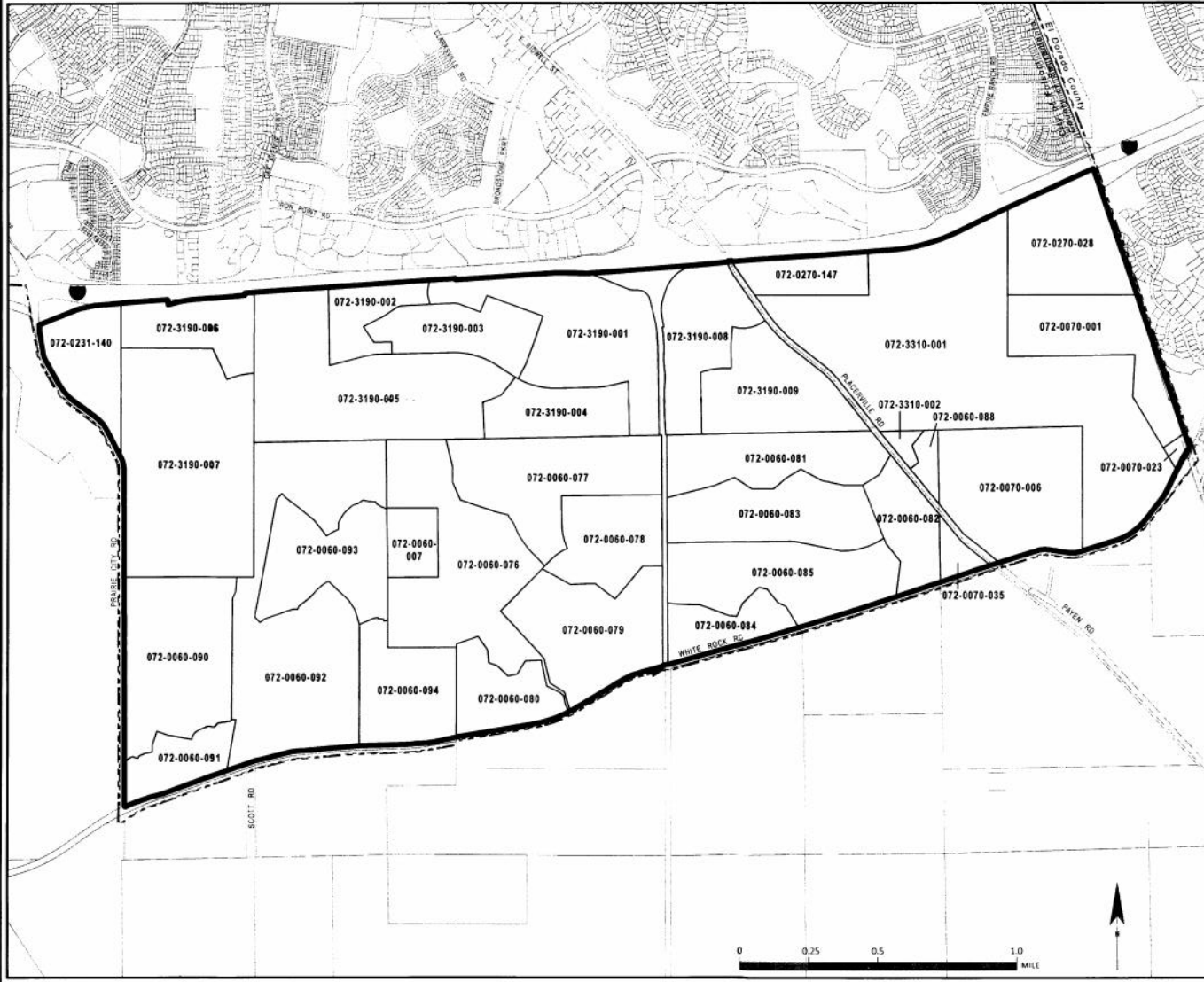
## APPENDIX A: BOUNDARY MAP

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The boundary map for the District is shown on the following page. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the County Assessor, at the time the District was established, and are incorporated by reference herein and made part of this Report.

# CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA - AREA-WIDE IMPROVEMENTS AND SERVICES)

CITY OF FOLSOM  
COUNTY OF SACRAMENTO  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FOLSOM THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY, CALIFORNIA

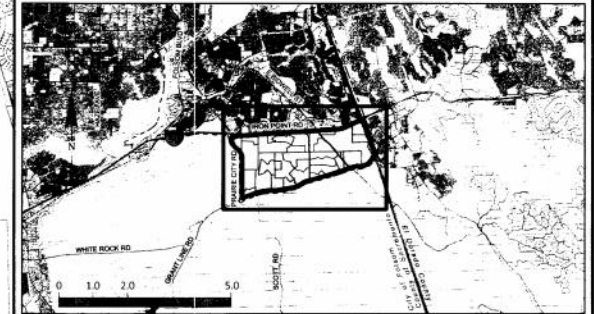
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA - AREA-WIDE IMPROVEMENTS AND SERVICES), CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015, BY ITS RESOLUTION NO. \_\_\_\_\_

CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY, CALIFORNIA

FILED THIS 30<sup>th</sup> DAY OF October, 2015, AT THE HOUR OF 9:17 O'CLOCK A.M. IN BOOK 119 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 0017 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

*Donna Alford* by *Randy Shannon*  
COUNTY RECORDER  
COUNTY OF SACRAMENTO, CALIFORNIA Deputy  
Doc # 2015 1030 PS 0243

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.



- 033-0000-028 CFD Parcel Boundaries  
APN (without last 4 digits)
- CFD Boundary
- Other Parcels

Data Source  
Sacramento County GIS

Projection  
NAD 1983 StatePlane California III FIPS 4003 Feet  
Geographic Coordinate System  
GCS North American 1983

Prepared by  
October 2015



# APPENDIX B: AMENDED RATE AND METHOD OF APPORTIONMENT

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The following pages provide a copy of the District's Amended Rate and Method of Apportionment approved by the City Council on October 9, 2018 via Resolution No. 10192.

**AMENDED RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 18  
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)**

A Special Tax as hereinafter defined shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) and collected each Fiscal Year commencing in Fiscal Year 2016-2017 in an amount determined by the CFD Administrator through the application of the appropriate CFD No. 18 Special Tax for Taxable Property as described below. All of the Taxable Property within CFD No. 18, unless exempted by law or by the provisions hereof, shall be taxed for the purposes to the extent and in the manner herein provided.

**A. GENERAL DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**“Acre or Acreage”** means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, condominium plan, record of survey, or other recorded document creating or describing the parcel. It is expected that Specific Plan Amendments will occur through June 30, 2016 and impact acreage. Said Specific Plan Amendments will be reflected in Acreage amounts. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of CFD No. 18 including, but not limited to, the following: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 18, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 18, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 18, or any designee thereof related to any appeal of the levy or application of the Special Tax; and the costs associated with the release of funds from an escrow account, if any. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 18 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes. The Administrative Expenses shall be allocated to the Willow Hill Pipeline Special Tax, the Area-Wide Facilities Special Tax, the Maintenance Special Tax, and the TDM Services Special Tax based upon

the proportional financial obligation of each special tax category to the total estimated CFD No. 18 Special Tax for each Fiscal Year.

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

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

**“Bond Year”** means a one year period beginning on September 2<sup>nd</sup> in each year and ending on September 1<sup>st</sup> in the following year, unless defined differently in the applicable Indenture.

**“CFD Administrator”** means the City’s Finance Director, or designee thereof, responsible for determining the CFD No. 18 Special Tax Requirement and providing for the levy and collection of the CFD No. 18 Special Taxes.

**“CFD No. 18”** means City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services).

**“CFD No. 18 Maximum Special Tax”** means the total annual Maximum Willow Hill Pipeline Special Tax, the Maximum Area-Wide Facilities Special Tax, the Maximum Maintenance Special Tax, and the Maximum TDM Services Special Tax which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“CFD No. 18 Special Tax”** means the total annual Willow Hill Pipeline Special Tax, the annual Area-Wide Facilities Special Tax, the annual Maintenance Special Tax, and the annual TDM Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the CFD No. 18 Special Tax Requirement.

**“CFD No. 18 Special Tax Requirement”** means that total amount of CFD No. 18 Special Tax revenue required in any Fiscal Year for CFD No. 18 to fund the total Willow Hill Pipeline Special Tax Requirement, the Area-Wide Facilities Special Tax Requirement, the Maintenance Special Tax Requirement, and the TDM Services Special Tax Requirement.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 18.

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

**“Developed Property”** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section G.

**“Final Small Lot Single Family Residential Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual residential lots for which building permits may

be issued without further subdivision of such property for the construction of single family residential units within an Assessor's Parcel planned for single family use.

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

**"Folsom Heights Parcels"** means at the time of the formation of CFD No. 18, those Assessor's Parcels designated as 072-0070-001-0000, 072-0070-023-0000, and 072-0270-028-0000. Folsom Heights Parcels will also include any successor parcels created as a result of subdivision or merger of the three original Folsom Heights Parcels.

**"Indenture"** means the 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.

**"Open Space Property"** means property within the boundaries of CFD No. 18 which (a) has been designated with specific boundaries and acreage on a final subdivision map as open space, or (b) is classified by the County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Permit Ready Multi Family/Non-Residential Property"** means an Assessor's Parcel of Taxable Property zoned for multi family or non-residential use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi family residential units or non-residential buildings within such Assessor's Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor's Parcels as Permit Ready Multi Family/Non-Residential Property.

**"Property Owner Association Property"** means any property within the boundaries of CFD No. 18 which is (a) owned by a property owner association or (b) designated with specific boundaries and acreage on a final subdivision map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**"Proportionately"** means for Taxable Property that the ratio of the special tax levy to the maximum special tax is equal for all Assessors' Parcels within each classification (Developed Property, Permit Ready Multi Family/Non-Residential Property, Single Family Final Map Property, etc.) within CFD No. 18.

**"Public Property"** means any property within the boundaries of CFD No. 18 which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City or any other public agency.

**“Residential Property”** means all Assessor’s Parcels of Taxable Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

**“Single Family Final Map Property”** means, for each Fiscal Year, all Taxable Property for which a Final Small Lot Single Family Residential Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

**“Specific Plan Amendment”** means an action approved by the City Council that amends the land use and/or zoning of one or more Assessor’s Parcels within the Folsom Plan Area Specific Plan dated June 28, 2011.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 18 that are not exempt from the CFD No. 18 Special Tax pursuant to law or Section G below.

**“Trustee”** means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof to administer a series of bonds for and on behalf of CFD No. 18 and the City under such Indenture.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Permit Ready Multi Family/Non-Residential Property, or Single Family Final Map Property.

## **B. WILLOW HILL PIPELINE SPECIAL TAX**

### **1. Definitions**

**“Maximum Willow Hill Pipeline Special Tax”** means the maximum annual Willow Hill Pipeline Special Tax, determined in accordance with the provisions of Section B.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Original Willow Hill Pipeline Parcel”** means an Assessor’s Parcel listed in the table of Attachment B to this Rate and Method of Apportionment.

**“Successor Willow Hill Pipeline Parcel”** means an Assessor’s Parcel created by the subdivision or lot line adjustment from an Original Willow Hill Pipeline Parcel. Once created, the Successor Willow Hill Pipeline Parcel will be treated in the same manner as an Original Willow Hill Pipeline Parcel in the creation of any additional Successor Willow Hill Pipeline Parcels from such Successor Willow Hill Pipeline Parcel.

**“Willow Hill Pipeline Bonds”** means the Folsom Ranch Financing Authority Special Tax Revenue Bonds, Series 2015A, any other bonds or debt (as defined in the Act), whether in one or more series, issued by CFD No. 18 under the Act to fund the Willow Hill Pipeline Improvements.

**“Willow Hill Pipeline Equivalent Dwelling Units” or “Willow Hill Pipeline EDU”** means a measure of anticipated water requirements for an Assessor’s Parcel at build-out. One Willow Hill Pipeline EDU is equivalent to the annual water use of a high density single

family residence, which is identified in the Folsom Plan Area Specific Plan dated June 28, 2011 with the zoning designation SP-SFHD. Willow Hill Pipeline EDU's are assigned to land use categories as shown in Attachment A of this Rate and Method of Apportionment. Before June 30, 2016, the CFD Administrator shall revise the Willow Hill Pipeline EDU assignments in Attachment B to reflect changes that may be necessary as a result of Specific Plan Amendments approved by the City Council prior to June 30, 2016.

**“Willow Hill Pipeline Improvements”** means the Willow Hill Transmission Pipeline construction and rehabilitation project, all ancillary work necessary or appropriate related thereto, and all appurtenant work and incidental expenses authorized for funding by CFD No. 18.

**“Willow Hill Pipeline Outstanding Bonds”** means all Willow Hill Pipeline Bonds, which remain outstanding as defined in the Indenture pursuant to which such Willow Hill Pipeline Bonds were issued.

**“Willow Hill Pipeline Special Tax”** means the annual special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Willow Hill Pipeline Special Tax Requirement.

**“Willow Hill Pipeline Special Tax Requirement”** means that amount of Willow Hill Pipeline Special Tax revenue required in any Fiscal Year to: (i) Pay that proportional amount of Administrative Expenses allocated to the Willow Hill Pipeline Special Tax per the allocation method as set forth in the Administrative Expenses definition in Section A; (ii) pay annual debt service on all Willow Hill Pipeline Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Willow Hill Pipeline Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Willow Hill Pipeline Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Willow Hill Pipeline Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Willow Hill Pipeline Special Taxes based on the delinquency rate for Willow Hill Pipeline Special Taxes levied in the previous Fiscal Year; and (vi) pay directly for the acquisition and/or construction of Willow Hill Pipeline Improvements which are authorized to be financed by CFD No. 18; less (viii) a credit for funds available to reduce the annual Willow Hill Pipeline Special Tax levy as determined by the CFD Administrator pursuant to the Indenture.

## **2. Maximum Willow Hill Pipeline Special Tax**

The Folsom Heights Parcels shall be exempt from the levy and collection of the Willow Hill Pipeline Special Tax. The Maximum Willow Hill Pipeline Special Tax for each other Assessor's Parcel of Taxable Property is computed below.

### **a. Original Willow Hill Pipeline Parcels**

The Maximum Willow Hill Pipeline Special Tax rate per Willow Hill Pipeline EDU for an Original Willow Hill Pipeline Parcel for Fiscal Year 2016-2017 is \$68.34.

A list of the Original Willow Hill Pipeline Parcels, along with the assigned number of Willow Hill Pipeline EDUs, and total 2016-2017 Maximum Willow Hill Pipeline Special Tax is provided in Attachment B of this Rate and Method of Apportionment. The City anticipates considering a number of property owner requested Specific Plan Amendments and any such Specific Plan Amendments approved by the City Council



prior to June 30, 2016 shall be reflected in this Rate and Method of Apportionment. Before the Fiscal Year 2016-17 Willow Hill Pipeline Special Tax levy, the CFD Administrator shall update the Willow Hill Pipeline EDU assignments and Maximum Willow Hill Pipeline Special Tax for each Assessor's Parcel in Attachment B, using the amended land use plan and Willow Hill Pipeline EDU Factors from Attachment A for all Specific Plan Amendments approved by the City Council by June 30, 2016.

As a result of each Specific Plan Amendment during such period, the Willow Hill Pipeline EDU assignments, and the resulting Maximum Willow Hill Pipeline Special Tax assigned to each Assessor's Parcel, may increase or decrease on an Assessor's Parcel by Assessor's Parcel basis. However, in no event will the Maximum Willow Hill Pipeline Special Tax rate per Willow Hill Pipeline EDU be increased, beyond any increases allowed in the provisions of Section B.2.c below. When Attachment B is updated to reflect changes from an approved Specific Plan Amendment, the update shall apply to all Assessor's Parcels in Attachment B, with one exception. The one exception is that once a Developed Property has been assigned a Maximum Willow Hill Pipeline Special Tax that Developed Property's Maximum Willow Hill Pipeline Special Tax shall only be increased subject to Section B.2.c below and will not be considered as part of the reallocation process described above. However, if the result of the Specific Plan Amendment reallocation process above will result in a decrease of the Maximum Willow Hill Pipeline Special Tax for Developed Property, the Developed Property will participate in the Specific Plan Amendment reallocation process.

**b. Successor Willow Hill Pipeline Parcels**

When an Original Willow Hill Pipeline Parcel(s) changes or subdivides, the Maximum Willow Hill Pipeline Special Tax shall be apportioned to each Successor Willow Hill Pipeline Parcel so that there is no net loss in Maximum Willow Hill Pipeline Special Tax revenue. The process for apportioning the Maximum Willow Hill Pipeline Special Tax of the Original Willow Hill Pipeline Parcel(s) to the Successor Willow Hill Pipeline Parcel(s) is as follows:

Step 1: Identify the Successor Willow Hill Pipeline Parcel(s) created by the Original Willow Hill Pipeline Parcel(s) change or subdivision.

Step 2: Using Sacramento County records, City records, City zoning information at the time of the change or subdivision, land use development plans, and Willow Hill Pipeline EDU land use factor assignments in Attachment A of this Rate and Method of Apportionment, calculate the number of Willow Hill Pipeline EDUs for each Successor Willow Hill Pipeline Parcel of Taxable Property identified in Step 1. Successor Willow Hill Pipeline Parcels classified as Public Property, Property Owner Association Property, or Open Space Property will not be assigned Willow Hill Pipeline EDUs and will be classified as Exempt Property pursuant to Section G.

Step 3: Sum the number of Willow Hill Pipeline EDUs calculated in Step 2 for each Successor Willow Hill Pipeline Parcel.

Step 4: Divide the assigned Willow Hill Pipeline EDUs for each Successor Willow Hill Pipeline Parcel by the total Willow Hill Pipeline EDUs from Step 3 to arrive at the

Maximum Willow Hill Pipeline Special Tax factor for each Successor Willow Hill Pipeline Parcel.

Step 5: For each Successor Willow Hill Pipeline Parcel, multiply the Maximum Willow Hill Pipeline Special Tax factor calculated in Step 4 for such Successor Willow Hill Pipeline Parcel by the total Maximum Willow Hill Pipeline Special Tax for the Original Willow Hill Pipeline Parcel(s) to arrive at the Maximum Willow Hill Pipeline Special Tax for such Successor Willow Hill Pipeline Parcel.

Once created, if a Successor Willow Hill Pipeline Parcel further changes or subdivides, the above steps shall be repeated to determine the Maximum Willow Hill Pipeline Special Tax for each additional Successor Willow Hill Pipeline Parcel created from the change or subdivision.

**c. Increase in the Maximum Willow Hill Pipeline Special Tax**

On each July 1, commencing on July 1, 2017, the Maximum Willow Hill Pipeline Special Tax shall be increased by an amount equal to two percent (2%) of the Maximum Willow Hill Pipeline Special Tax amount in effect for the previous Fiscal Year.

**3. Method of Apportionment of the Willow Hill Pipeline Special Tax**

Commencing with Fiscal Year 2016-2017, and for each following Fiscal Year, the CFD Administrator shall determine the Willow Hill Pipeline Special Tax Requirement and levy the Willow Hill Pipeline Special Tax until the amount of Willow Hill Pipeline Special Taxes equals the Willow Hill Pipeline Special Tax Requirement. The Willow Hill Pipeline Special Tax shall be levied each Fiscal Year as follows:

The Willow Hill Pipeline Special Tax shall be levied Proportionately on all Taxable Property at a rate up to 100% of the applicable Maximum Willow Hill Pipeline Special Tax to satisfy the Willow Hill Pipeline Special Tax Requirement.

**C. AREA-WIDE FACILITIES SPECIAL TAX**

**1. Definitions**

**“Area-Wide Facilities”** means the public improvements authorized to be funded by CFD No. 18, excluding the Willow Hill Pipeline Improvements.

**“Area-Wide Facilities Bonds”** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 18 under the Act to fund the Area-Wide Facilities.

**“Area-Wide Facilities Equivalent Dwelling Units-A” or “Area-Wide Facilities EDU-A”** means a measure of anticipated public facilities demand for an Assessor’s Parcel at build-out. One Area-Wide Facilities EDU-A is equivalent to the annual water use of a high density single family residence, which is identified in the Folsom Plan Area Specific Plan dated June 28, 2011 with the zoning designation SP-SFHD. Area-Wide Facilities EDU-A’s are assigned to land use categories as shown in Attachment C of this Rate and Method

of Apportionment. Assessor's Parcels classified as Folsom Heights Parcels are assigned Area-Wide Facilities EDU-A's according to the land use categories as shown in Attachment D of this Rate and Method of Apportionment. Before June 30, 2016, the CFD Administrator may revise the Area-Wide Facilities EDU-A assignments to Taxable Property in Attachment E to reflect changes that may be necessary as a result of Specific Plan Amendments approved by the City Council prior to June 30, 2016.

**“Area-Wide Facilities Equivalent Dwelling Units-B” or “Area-Wide Facilities EDU-B”** means a measure of anticipated public facilities demand for an Assessor's Parcel at build-out. One Area-Wide Facilities EDU-B is equivalent to the number of persons served for a single family residence. Area-Wide Facilities EDU-B's are assigned to land use categories as shown in Attachment C of this Rate and Method of Apportionment. Assessor's Parcels classified as Folsom Heights Parcels are assigned Area-Wide Facilities EDU-B's according to the land use categories as shown in Attachment D of this Rate and Method of Apportionment. Before June 30, 2016, the CFD Administrator may revise the Area-Wide Facilities EDU-B assignments to Taxable Property in Attachment E to reflect changes that may be necessary as a result of Specific Plan Amendments approved by the City Council prior to June 30, 2016.

**“Area-Wide Facilities Outstanding Bonds”** means all Area-Wide Facilities Bonds, which remain outstanding as defined in the Indenture pursuant to which such Area-Wide Facilities Bonds were issued.

**“Area-Wide Facilities Special Tax”** means the annual special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Area-Wide Facilities Special Tax Requirement.

**“Area-Wide Facilities Special Tax Requirement”** means that amount of Area-Wide Facilities Special Tax revenue required in any Fiscal Year to: (i) Pay that proportional amount of Administrative Expenses allocated to the Area-Wide Facilities Special Tax per the allocation method as set forth in the Administrative Expenses definition in Section A of this Rate and Method of Apportionment; (ii) pay annual debt service on all Area-Wide Facilities Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Area-Wide Facilities Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Area-Wide Facilities Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Area-Wide Facilities Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Area-Wide Facilities Special Taxes based on the delinquency rate for Area-Wide Facilities Special Taxes levied in the previous Fiscal Year; and (vi) pay directly for the acquisition and/or construction of Area-Wide Facilities; less (vii) a credit for funds available to reduce the annual Area-Wide Facilities Special Tax levy as determined by the CFD Administrator pursuant to the Indenture.

**“Maximum Area-Wide Facilities Special Tax”** means the sum of the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B.

**“Maximum Area-Wide Facilities Special Tax-A”** means that portion of the maximum annual Area-Wide Facilities Special Tax based upon the number of Area-Wide Facilities EDU-As, determined in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

**“Maximum Area-Wide Facilities Special Tax-B”** means that portion of the maximum annual Area-Wide Facilities Special Tax based upon the number of Area-Wide Facilities EDU-B's, determined in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

**“Original Area-Wide Facilities Parcel”** means an Assessor's Parcel listed in the table of Attachment E to this Rate and Method of Apportionment.

**“Successor Area-Wide Facilities Parcel”** means an Assessor's Parcel created by the subdivision or lot line adjustment from an Original Area-Wide Facilities Parcel. Once created, the Successor Area-Wide Facilities Parcel will be treated in the same manner as an Original Area-Wide Facilities Parcel in the creation of any additional Successor Area-Wide Facilities Parcels from such Successor Area-Wide Facilities Parcel.

## **2. Maximum Area-Wide Facilities Special Tax**

### **a. Original Area-Wide Facilities Parcels**

The Maximum Area-Wide Facilities Special Tax-A rate per Area-Wide Facilities EDU-A for each Original Area-Wide Facilities Parcel for Fiscal Year 2016-2017 is \$300.00.

The Maximum Area-Wide Facilities Special Tax-B rate per Area-Wide Facilities EDU-B for each Original Area-Wide Facilities Parcel for Fiscal Year 2016-2017 is \$175.00.

The total Maximum Area-Wide Facilities Special Tax for each Original Area-Wide Facilities Parcel is the sum of the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B.

A list of the Original Area-Wide Facilities Parcels subject to the Area-Wide Facilities Special Tax, along with the assigned number of Area-Wide Facilities EDU-A's and Area-Wide Facilities EDU-B's, is provided in Attachment E of this Rate and Method of Apportionment. The City anticipates considering a number of property owner requested Specific Plan Amendments and any such Specific Plan Amendments approved by the City Council prior to June 30, 2016 shall be reflected in this Rate and Method of Apportionment. Before the Fiscal Year 2016-2017 Special Tax levy, the CFD Administrator shall update the Area-Wide Facilities EDU-A and Area-Wide Facilities EDU-B assignments for each Original Area-Wide Facilities Parcel in Attachment E, using the amended land use plan and Area-Wide Facilities EDU-A and Area-Wide Facilities EDU-B factors from Attachment C, and Attachment D for the Folsom Heights Parcels, for all Specific Plan Amendments approved by the City Council by June 30, 2016.

As a result of each Specific Plan Amendment during such period, the Area-Wide Facilities EDU-A and Area-Wide Facilities EDU-B assignments, and the resulting Maximum Area-Wide Facilities Special Tax assigned to each Assessor's Parcel, may increase or decrease on an Assessor's Parcel by Assessor's Parcel basis. However, in no event will the Maximum Area-Wide Facilities Special Tax rate per Area-Wide Facilities EDU-A and the Maximum Area-Wide Facilities Special Tax rate per Area-Wide Facilities EDU-B be increased, beyond any increases allowed in the provisions of Section C.2.c below. When Attachment E is updated to reflect changes from an approved Specific Plan Amendment, the update shall apply to all Assessor's Parcels

in Attachment E, with one exception. The one exception is that once a Developed Property has been assigned a Maximum Area-Wide Facilities Special Tax that Developed Property's Maximum Area-Wide Facilities Special Tax shall only be increased subject to Section C.2.c below and will not be considered as part of the reallocation process described above. However, if the result of the Specific Plan Amendment reallocation process above will result in a decrease of the Maximum Area-Wide Facilities Special Tax for Developed Property, the Developed Property will participate in the Specific Plan Amendment reallocation process.

**b. Successor Area-Wide Facilities Parcels**

When an Original Area-Wide Facilities Parcel(s) changes or subdivides, the Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and total Maximum Area-Wide Facilities Special Tax shall be apportioned to each Successor Area-Wide Facilities Parcel so that there is no net loss in Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and total Maximum Area-Wide Facilities Special Tax revenue. The process for apportioning the Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and total Maximum Area-Wide Facilities Special Tax of the Original Area-Wide Facilities Parcel(s) to the Successor Area-Wide Facilities Parcel(s) is as follows:

Step 1: Identify the Successor Area-Wide Facilities Parcel(s) created by the Original Area-Wide Facilities Parcel(s) change or subdivision.

Step 2: Using Sacramento County records, City records, City zoning information at the time of the change or subdivision, land use development plans, and Area-Wide Facilities EDU-A and Area-Wide Facilities EDU-B land use factor assignments in Attachment C of this Rate and Method of Apportionment, and Attachment D for Folsom Heights Parcels, calculate the number of Area-Wide Facilities EDU-A's and Area-Wide Facilities EDU-B's for each Successor Area-Wide Facilities Parcel of Taxable Property identified in Step 1. Successor Area-Wide Facilities Parcels classified as Public Property, Property Owner Association Property, or Open Space Property will not be assigned Area-Wide Facilities EDU-A's and Area-Wide Facilities EDU-B's and will be classified as Exempt Property pursuant to Section G.

Step 3: Sum the number of Area-Wide Facilities EDU-A's calculated in Step 2 for each Successor Area-Wide Facilities Parcel and sum the number of Area-Wide Facilities EDU-B's calculated in Step 2 for each Successor Area-Wide Facilities Parcel.

Step 4: Divide the assigned Area-Wide Facilities EDU-A's for each Successor Area-Wide Facilities Parcel by the total Area-Wide Facilities EDU-A's from Step 3 to arrive at the Maximum Area-Wide Facilities Special Tax Factor-A for each Successor Area-Wide Facilities Parcel.

Step 5: Divide the assigned Area-Wide Facilities EDU-B's for each Successor Area-Wide Facilities Parcel by the total Area-Wide Facilities EDU-B's from Step 3 to arrive at the Maximum Area-Wide Facilities Special Tax Factor-B for each Successor Area-Wide Facilities Parcel.

Step 6: For each Successor Area-Wide Facilities Parcel, multiply the Maximum Area-Wide Facilities Special Tax Factor-A calculated in Step 4 for such Successor Area-

Wide Facilities Parcel by the total Maximum Area-Wide Facilities Special Tax-A for the Original Area-Wide Facilities Parcel(s).

Step 7: For each Successor Area-Wide Facilities Parcel, multiply the Maximum Area-Wide Facilities Special Tax Factor-B calculated in Step 5 for such Successor Area-Wide Facilities Parcel by the total Maximum Area-Wide Facilities Special Tax-B for the Original Area-Wide Facilities Parcel(s).

Step 8: For each Successor Area-Wide Facilities Parcel, sum the Maximum Area-Wide Facilities Special Tax-A calculated in Step 6 and the Maximum Area-Wide Facilities Special Tax-B calculated in Step 7 for such Successor Area-Wide Facilities Parcel to arrive at the total Maximum Area-Wide Facilities Special Tax for the Successor Area-Wide Facilities Parcel.

Once created, if a Successor Area-Wide Facilities Parcel further changes or subdivides, the above steps shall be repeated to determine the Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and total Maximum Area-Wide Facilities Special Tax for each additional Successor Area-Wide Facilities Parcel created from the change or subdivision.

**c. Increase in the Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and the Maximum Area-Wide Facilities Special Tax**

On each July 1, commencing on July 1, 2017, the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B shall be increased by an amount equal to two percent (2%) of the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B amount in effect for the previous Fiscal Year.

**3. Method of Apportionment of the Area-Wide Facilities Special Tax**

Commencing with Fiscal Year 2016-2017, and for each following Fiscal Year, the CFD Administrator shall determine the Area-Wide Facilities Special Tax Requirement and levy the Area-Wide Facilities Special Tax until the amount of Area-Wide Facilities Special Taxes equals the Area-Wide Facilities Special Tax Requirement. The Area-Wide Facilities Special Tax shall be levied each Fiscal Year as follows:

First: The Area-Wide Facilities Special Tax shall be levied on each Assessor's Parcel of Developed Property at 100% of the applicable Maximum Area-Wide Facilities Special Tax. If all Area-Wide Facilities have been funded through the sale of Area-Wide Facilities Bonds or through the collection of Area-Wide Special Tax revenues, as determined by the City Council, the Area-Wide Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Area-Wide Facilities Special Tax.

Second: If additional monies are needed to satisfy the Area-Wide Facilities Special Tax Requirement after the first step has been completed, the Area-Wide Facilities Special Tax shall be levied Proportionately on all Single Family Final Map Property at a rate up to 100% of the Maximum Area-Wide Facilities Special Tax. The Area-Wide Facilities Special Tax shall be levied on Single Family Final Map Property only for that portion of the Area-

Wide Facilities Special Tax Requirement that is related to existing debt service and Administrative Expenses. The Area-Wide Facilities Special Tax shall not be levied on Single Family Final Map Property for that portion of the Area-Wide Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of Area-Wide Facilities.

Third: If additional monies are needed to satisfy the Area-Wide Facilities Special Tax Requirement after the first two steps have been completed, the Area-Wide Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi Family/Non-Residential Property at a rate up to 100% of the Maximum Area-Wide Facilities Special Tax. The Area-Wide Facilities Special Tax shall be levied on Permit Ready Multi Family/Non-Residential Property only for that portion of the Area-Wide Facilities Special Tax Requirement that is related to existing debt service and Administrative Expenses. The Area-Wide Facilities Special Tax shall not be levied on Permit Ready Multi Family/Non-Residential Property for that portion of the Area-Wide Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of Area-Wide Facilities.

## **D. MAINTENANCE SPECIAL TAX**

### **1. Definitions**

**“Authorized Maintenance Expenses”** means the maintenance, services, and expenses authorized to be financed by CFD No. 18.

**“Maintenance Equivalent Dwelling Units” or “Maintenance EDU”** means a measure of anticipated persons served for an Assessor’s Parcel at build-out. One Maintenance EDU is equivalent to the number of persons served for a single family residence. Maintenance EDU’s are assigned to land use categories as shown in Attachment F of this Rate and Method of Apportionment. Before June 30, 2016, the CFD Administrator may revise the Maintenance EDU assignments for Taxable Property in Attachment G to reflect changes that may be necessary as a result of Specific Plan Amendments approved by the City Council prior to June 30, 2016.

**“Maintenance Special Tax”** means the annual special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Maintenance Special Tax Requirement.

**“Maintenance Special Tax Escalation Factor”** means the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%). In the event that the percentage change is negative, the Maintenance Special Tax Escalation Factor shall be equal to zero.

**“Maintenance Special Tax Requirement”** means that amount of Maintenance Special Tax revenue required in any Fiscal Year for CFD No. 18 to: (i) Pay that proportional amount of Administrative Expenses allocated to the Maintenance Special Tax per the allocation method as set forth in the Administrative Expenses definition in Section A of this Rate and Method of Apportionment; (ii) pay Authorized Maintenance Expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Maintenance Expenses;

(iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Willow Hill Pipeline Special Tax Requirement and/or Area-Wide Facilities Special Tax Requirement in that Fiscal Year. Willow Hill Pipeline Special Tax Requirement and/or Area-Wide Facilities Special Tax Requirement shortfalls shall not include that shortfall attributable to the direct payment for the acquisition and/or construction of Area-Wide Facilities and (v) pay for reasonably anticipated delinquent Maintenance Special Taxes based on the delinquency rate for Maintenance Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Maintenance Special Tax levy as determined by the CFD Administrator.

**“Maximum Maintenance Special Tax”** means the maximum annual Maintenance Special Tax, determined in accordance with the provisions of Section D.2, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

## **2. Maximum Maintenance Special Tax**

The Maximum Maintenance Special Tax rate per Maintenance EDU for each Assessor's Parcel of Taxable Property for Fiscal Year 2016-2017 is \$400.00.

A list of the Assessor's Parcels subject to the Maintenance Special Tax, along with the assigned number of Maintenance EDUs, is provided in Attachment G of this Rate and Method of Apportionment. The City anticipates considering a number of property owner requested Specific Plan Amendments and any such Specific Plan Amendments approved by the City Council prior to June 30, 2016 shall be reflected in this Rate and Method of Apportionment. Before the Fiscal Year 2016-2017 Special Tax levy, the CFD Administrator shall update the Maintenance EDU assignments for each Assessor's Parcel in Attachment G, using the amended land use plan and Maintenance EDU factors from Attachment F for all Specific Plan Amendments approved by the City Council by June 30, 2016.

As a result of each Specific Plan Amendment during such period, the Maintenance EDU assignments, and the resulting Maximum Maintenance Special Tax assigned to each Assessor's Parcel, may increase or decrease on an Assessor's Parcel by Assessor's Parcel basis. However, in no event will the Maximum Maintenance Special Tax rate per Maintenance EDU be increased, beyond any increases allowed in the provisions of Section D.2.a below. When Attachment G is updated to reflect changes from an approved Specific Plan Amendment, the update shall apply to all Assessor's Parcels in Attachment G, with one exception. The one exception is that once a Developed Property has been assigned a Maximum Maintenance Special Tax that Developed Property's Maximum Maintenance Special Tax shall only be increased subject to Section D.2.a below and will not be considered as part of the reallocation process described above. However, if the result of the Specific Plan Amendment reallocation process above will result in a decrease of the Maximum Maintenance Special Tax for Developed Property, the Developed Property will participate in the Specific Plan Amendment reallocation process.

### **a. Increase in the Maximum Maintenance Special Tax**



On each July 1, commencing on July 1, 2017, the Maximum Maintenance Special Tax shall be increased by the Maintenance Special Tax Escalation Factor of the Maximum Maintenance Special Tax amount in effect for the previous Fiscal Year.

### **3. Method of Apportionment of the Maintenance Special Tax**

If, in any Fiscal Year, the Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 18 and the revenues generated are insufficient to pay the Willow Hill Pipeline Special Tax Requirement and/or the Area-Wide Facilities Special Tax Requirement such shortfall shall be deemed a component of the Maintenance Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Maintenance Special Tax shall first be applied to mitigate the shortfall in the Willow Hill Pipeline Special Tax Requirement and/or the Area-Wide Facilities Special Tax Requirement before being used to pay for Authorized Maintenance Expenses. If a revenue shortfall exists in both the Willow Hill Pipeline Special Tax Requirement and the Area-Wide Facilities Special Tax Requirement, the Maintenance Special Tax revenue shall be allocated to the Willow Hill Pipeline Special Tax Requirement and the Area-Wide Facilities Special Tax Requirement based upon the proportional financial obligation of each special tax requirement to the combined total of the Willow Hill Pipeline Special Tax Requirement and the Area-Wide Facilities Special Tax Requirement in that Fiscal Year. The Maintenance Special Tax revenue shall not be applied to any special tax requirement shortfalls attributable to the direct payment for the acquisition and/or construction of public improvements which are authorized to be financed by CFD No. 18.

First: The Maintenance Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at a rate up to 100% of the applicable Maximum Maintenance Special Tax to satisfy the Maintenance Special Tax Requirement.

Second: If additional monies are needed to satisfy the Maintenance Special Tax Requirement after the first step has been completed, the Maintenance Special Tax shall be levied Proportionately on all Single Family Final Map Property at a rate up to 100% of the applicable Maximum Maintenance Special Tax to satisfy the Maintenance Special Tax Requirement.

Third: If additional monies are needed to satisfy the Maintenance Special Tax Requirement after the first two steps have been completed, the Maintenance Special Tax shall be levied Proportionately on all Permit Ready Multi Family/Non-Residential Property at a rate up to 100% of the applicable Maximum Maintenance Special Tax to satisfy the Maintenance Special Tax Requirement.

## **E. TDM SERVICES SPECIAL TAX**

### **1. Definitions**

**“Authorized TDM Services Expenses”** means transportation services, air quality mitigation services, bicycle services, and any other services that serve to advance the goals and objectives which are included within the transportation demand management plan and/or air quality management plan each as adopted by the City from time to time, as well as expenses authorized to be financed by CFD No. 18.

**“Maximum TDM Services Special Tax”** means the maximum annual TDM Services Special Tax, determined in accordance with the provisions of Section E.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“TDM”** means Transportation Demand Management.

**“TDM Equivalent Dwelling Units” or “TDM EDU”** means a measure of anticipated traffic impact for an Assessor’s Parcel at build-out. One TDM EDU is equivalent to the relative traffic impact on the roadway system for a single family residence. TDM EDU’s are assigned to land use categories as shown in Attachment H of this Rate and Method of Apportionment.

**“TDM Services Special Tax”** means the annual special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the TDM Services Special Tax Requirement.

**“TDM Services Special Tax Escalation Factor”** means the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%). In the event that the percentage change is negative, the TDM Services Special Tax Escalation Factor shall be equal to zero.

**“TDM Services Special Tax Requirement”** means that amount of TDM Services Special Tax revenue required in any Fiscal Year for CFD No. 18 to: (i) Pay that proportional amount of Administrative Expenses allocated to the TDM Services Special Tax per the allocation method as set forth in the Administrative Expenses definition in Section A of this Rate and Method of Apportionment; (ii) pay Authorized TDM Services Expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized TDM Services Expenses; and (iv) pay for reasonably anticipated delinquent TDM Services Special Taxes based on the delinquency rate for TDM Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual TDM Services Special Tax levy as determined by the CFD Administrator.

### **2. Maximum TDM Services Special Tax**

The Maximum TDM Services Special Tax rate per TDM EDU for each Assessor’s Parcel of Taxable Property for Fiscal Year 2018-2019 is \$25.00.

**a. Increase in the Maximum TDM Services Special Tax**

On each July 1, commencing on July 1, 2019, the Maximum TDM Services Special Tax shall be increased by the TDM Services Special Tax Escalation Factor of the Maximum TDM Services Special Tax amount in effect for the previous Fiscal Year.

**3. Method of Apportionment of the TDM Services Special Tax**

The TDM Services Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at a rate up to 100% of the applicable Maximum TDM Services Special Tax to satisfy the TDM Services Special Tax Requirement.

**F. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 18 Special Tax levied against any Assessor's Parcel of Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 18 Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

**G. EXEMPTIONS**

1. The CFD Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.
2. The CFD No. 18 Maximum Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such property. Until the CFD No. 18 Maximum Special Tax obligation for any such property is prepaid, the property shall continue to be subject to the levy of the CFD No. 18 Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in CFD No. 18 Maximum Special Tax revenue and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.
3. If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

## **H. REVIEW/APPEALS**

The CFD Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the CFD No. 18 Special Tax and any landowner or resident appeals, as herein specified.

Any landowner or resident who feels that the amount of the CFD No. 18 Special Tax levied on their Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error. If following such consultation the CFD Administrator determines that an error has occurred, the CFD Administrator may amend the amount of the CFD No. 18 Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the CFD Administrator), the landowner or resident believes such error still exists, such person may file a written notice with the City Manager appealing the amount of the CFD No. 18 Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the landowner or resident believes such error still exists, such person may file a written notice with the City Council appealing the amount of the CFD No. 18 Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons.

## **I. INTERPRETATIONS**

Interpretations may be made by the CFD Administrator. If necessary, interpretations may be made by the City Council, by ordinance or resolution, for purposes of clarifying any vagueness or ambiguity as it relates to this Rate and Method of Apportionment.

## **J. MANNER OF COLLECTION**

The annual CFD No. 18 Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 18, may, at the sole discretion of the City, directly bill the CFD No. 18 Special Tax, may collect CFD No. 18 Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of CFD No. 18 Special Taxes.

## **K. PREPAYMENT OF CFD NO. 18 SPECIAL TAX**

The Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax may be prepaid and permanently satisfied. The Maximum Maintenance Special Tax and the Maximum TDM Services Special Tax may not be prepaid and shall continue to be levied in accordance with Section D and Section E of this Rate and Method of Apportionment on an annual basis on all Taxable Property in CFD No. 18. The Maximum Willow Hill Pipeline Special Tax and the Maximum Area-Wide Facilities Special Tax may be prepaid separately and are not required to be prepaid together.

The Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent CFD No. 18 Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of

an Assessor's Parcel intending to prepay the Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations shall provide the CFD Administrator with written notice of intent to prepay that indicates which maximum special tax(es) to be prepaid. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Willow Hill Pipeline Bonds and/or Area-Wide Facilities Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD Administrator may charge a fee for providing this service.

The CFD No. 18 Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Willow Hill Pipeline Prepayment Amount  
Plus: Area-Wide Facilities Prepayment Amount  
Plus: Administrative Fees and Expenses  
Total: CFD No. 18 Prepayment Amount

#### 1. Willow Hill Pipeline Prepayment Amount

The following definitions apply to this Section K.1:

**“Willow Hill Pipeline Facilities Costs”** means either \$7,600,000 in 2015 dollars, which shall increase by the Construction Inflation Index on July 1, 2016, and on each July 1 thereafter, or such lower number as shall be determined either by (a) the CFD Administrator as sufficient to finance the Willow Hill pipeline public improvements, or (b) the City Council concurrently with a covenant that it will not issue any more Willow Hill Pipeline Bonds to be secured by the Willow Hill Pipeline Special Taxes levied under this Rate and Method of Apportionment.

**“Construction Inflation Index”** means the annual percentage change in the Engineering News-Record Building Cost Index for the 20-City Average, measured as of June in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the 20-City Average.

**“Future Willow Hill Pipeline Facilities Costs”** means the Willow Hill Pipeline Facilities Costs minus the portion of the Willow Hill Pipeline Facilities Costs previously funded from (a) proceeds of all previously issued Willow Hill Pipeline Bonds, (b) proceeds from other sources, including grants, used to fund Willow Hill Pipeline Facilities Costs, (c) interest earnings on the Willow Hill Pipeline Construction Fund actually earned prior to the date of prepayment, and (d) proceeds of Willow Hill Special Tax revenues levied to pay for the acquisition or construction of Willow Hill Pipeline Facilities Costs. In no case, shall the Future Willow Hill Pipeline Facilities Costs be less than zero.

As of the proposed date of prepayment, the Willow Hill Pipeline Prepayment Amount (defined below) shall be calculated as follows:

Step 1. Determine the current Fiscal Year Maximum Willow Hill Pipeline Special Tax for the Assessor's Parcel based on the assignment of the Maximum Willow Hill Pipeline Special Tax described in Section B.2 above.

Step 2. Divide the Maximum Willow Hill Pipeline Special Tax computed pursuant to Step 1 by the total Maximum Willow Hill Pipeline Special Taxes for the entire CFD No. 18 based on the Maximum Willow Hill Pipeline Special Taxes which could be charged in the current Fiscal Year, excluding any Assessor's Parcels which have prepaid the Maximum Willow Hill Pipeline Special Tax (the "Willow Hill Pipeline Prepayment Quotient").

Step 3. Multiply the Willow Hill Pipeline Prepayment Quotient by the Outstanding Willow Hill Pipeline Bonds to compute the amount of Outstanding Willow Hill Pipeline Bonds to be retired and prepaid (the "Willow Hill Pipeline Bond Redemption Amount").

Step 4. Compute the current Future Willow Hill Pipeline Facilities Costs.

Step 5. Multiply Willow Hill Pipeline Prepayment Quotient by the total Future Willow Hill Pipeline Facilities Costs amount from Step 4 to compute the amount of the Future Willow Hill Pipeline Facilities Amount to be retired and prepaid.

Step 6. Multiply the Willow Hill Pipeline Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Willow Hill Pipeline Bonds to be redeemed.

Step 7. Compute the amount needed to pay interest on the Willow Hill Pipeline Bond Redemption Amount from the first bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Willow Hill Pipeline Bonds.

Step 8. Determine that portion of Willow Hill Pipeline Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Willow Hill Pipeline Special Tax Requirement which have not yet been paid.

Step 9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Willow Hill Pipeline Prepayment Amount less the Future Willow Hill Pipeline Facilities Amount from the date of prepayment until the redemption date for the Outstanding Willow Hill Pipeline Bonds to be redeemed with the prepayment.

Step 10. Add the amounts computed pursuant to Steps 7 and 8 and subtract the amount computed pursuant to Step 9.

Step 11. A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Willow Hill Pipeline Bonds), if any, associated with the redemption of Outstanding Willow Hill Pipeline Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Willow Hill Pipeline Bonds) in effect after the redemption of Outstanding Willow Hill Pipeline Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.

Step 12. If any capitalized interest for the Outstanding Willow Hill Pipeline Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 2 by the expected balance in the capitalized interest fund after such first interest and/or principal payment.

Step 13. The prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, and 10, less the amount computed pursuant to Steps 11 and 12 (the "Willow Hill Pipeline Prepayment Amount").

## **2. Area-Wide Facilities Prepayment Amount**

As of the proposed date of prepayment, the Area-Wide Facilities Prepayment Amount shall be calculated as follows:

Step 1. Determine the current Fiscal Year Maximum Area-Wide Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Area-Wide Facilities Special Tax described in Section C.2 above.

Step 2. Calculate the annual revenue produced by the Maximum Area-Wide Facilities Special Tax from the date of prepayment through Fiscal Year 2080-2081, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3. Calculate the present value of the Assessor's Parcel's annual revenue stream determined in Step 2. The present value shall be calculated using that discount rate which, when the prepayment is invested in approved available investments earning a rate of interest equal to the discount rate, would produce annual revenues equal to the amounts calculated in Step 2. The discount rate may not exceed the bond yield as determined by the Tax Reform Act of 1986, as may be amended.

If there are Outstanding Area-Wide Facilities Bonds at the time of an Area-Wide Facilities Prepayment Amount calculation, the Area-Wide Facilities Prepayment Amount shall be first allocated to the Area-Wide Facilities Redemption Amount. If the Area-Wide Facilities Prepayment Amount is insufficient to fund the Area-Wide Facilities Redemption Amount, then the Area-Wide Facilities Prepayment Amount shall be increased to equal the Area-Wide Facilities Redemption Amount. The Area-Wide Facilities Redemption Amount is calculated as follows:

Step 1. Divide the Maximum Area-Wide Facilities Special Tax computed pursuant to Step 1 of Section K.2 by the total Maximum Area-Wide Facilities Special Taxes for the entire CFD No. 18 based on the Maximum Area-Wide Facilities Special Taxes which could be charged in the current Fiscal Year, excluding any Assessor's Parcels which have prepaid the Maximum Area-Wide Facilities Special Tax (the "Area-Wide Facilities Prepayment Quotient").

Step 2. Multiply the Area-Wide Facilities Prepayment Quotient by the Outstanding Area-Wide Facilities Bonds to compute the amount of Outstanding Area-Wide Facilities Bonds to be retired and prepaid (the "Area-Wide Facilities Bond Redemption Amount").

Step 3. Multiply the Area-Wide Facilities Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Area-Wide Facilities Bonds to be redeemed.

Step 4. Compute the amount needed to pay interest on the Area-Wide Facilities Bond Redemption Amount from the first bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Area-Wide Facilities Bonds.

Step 5. Determine that portion of Area-Wide Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Area-Wide Facilities Special Tax Requirement which have not yet been paid.

Step 6. A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Area-Wide Facilities Bonds), if any, associated with the redemption of Outstanding Area-Wide Facilities Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Area-Wide Facilities Bonds) in effect after the redemption of Outstanding Area-Wide Facilities Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.

Step 7. If any capitalized interest for the Outstanding Area-Wide Facilities Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8. The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Area-Wide Facilities Redemption Amount").

The CFD No. 18 Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the CFD No. 18 Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the CFD No. 18 Special Tax has not been used to make an interest and/or principal payment on the Willow Hill Pipeline Bonds and/or Area-Wide Facilities Bonds.

Notwithstanding the foregoing, no CFD No. 18 Special Tax prepayment shall be allowed unless the amount of Maximum Willow Hill Pipeline Special Taxes that may be levied on Taxable Property both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Willow Hill Pipeline Bonds and the amount of Maximum Area-Wide Facilities Special Taxes that may be levied on Taxable Property both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Area-Wide Facilities Bonds.



### 3. Prepayment in Part

The Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations may be partially prepaid in increments of \$5,000. The amount of the prepayment shall be calculated as in the above Section K; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

**PP** = the CFD No. 18 Partial Prepayment Amount

**PE** = the CFD No. 18 Prepayment Amount calculated according to Section K above

**A** = the Administrative Fees and Expenses calculated according to Section K above

**F** = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations.

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations, (ii) the amount of partial prepayment expressed in increments of \$5,000, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Willow Hill Pipeline Bonds and/or Area-Wide Facilities Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall indicate in the records of CFD No. 18 that there has been a partial prepayment of the Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations and that a portion of the Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations equal to the outstanding percentage  $(1.00 - F)$  of the remaining Maximum Willow Hill Pipeline Special Tax and/or the Maximum Area-Wide Facilities Special Tax obligations shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section B and Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Willow Hill Pipeline Special Taxes that may be levied on Taxable Property both prior to and after the proposed partial prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Willow Hill Pipeline Bonds and the amount of Maximum Area-Wide Facilities Special Taxes that may be levied on Taxable Property both prior to and after the proposed partial prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Area-Wide Facilities Bonds.

**L. TERM OF CFD NO. 18 SPECIAL TAXES**

The Maximum Willow Hill Pipeline Special Tax shall be levied commencing in Fiscal Year 2016-2017 to the extent necessary to fully satisfy the Willow Hill Pipeline Special Tax Requirement and shall be levied for a period no longer than the 2045-2046 Fiscal Year.

The Maximum Area-Wide Facilities Special Tax shall be levied commencing in Fiscal Year 2016-2017 to the extent necessary to fully satisfy the Area-Wide Facilities Special Tax Requirement, and shall be levied for a period no longer than the 2080-2081 Fiscal Year.

The Maximum Maintenance Special Tax shall be levied commencing in Fiscal Year 2016-2017 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Maintenance Special Tax Requirement.

The Maximum TDM Services Special Tax shall be levied commencing in Fiscal Year 2018-2019 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the TDM Services Special Tax Requirement.

**ATTACHMENT A**  
**Maximum Willow Hill Pipeline Special Tax**  
**Willow Hill Pipeline EDU Factors**  
**(Fiscal Year 2016-2017)**

Land Use Category	Willow Hill Pipeline EDU Factor
<b>Residential:</b>	<b>(Per Unit)</b>
Single Family (1-4 units/acre)	1.59
Single Family (1-4 units/acre)–Russell Ranch (1)	1.59
Single Family – High Density (4-7 units/acre)	1.00
Single Family – High Density (4-7 units/acre)–Russell Ranch (1)	1.00
Multi Family – Low Density (7-12 units/acre)	0.62
Multi Family – Medium Density (12-20 units/acre)	0.51
Multi Family – High Density (20-30 units/acre)	0.49
Mixed Use Residential (9-30 units/acre)	0.43
<b>Non-Residential:</b>	<b>(Per Acre)</b>
Private Elementary/Middle School	6.97
Mixed Use Commercial	4.43
Industrial/Office Park	5.32
Community Commercial	4.16
General Commercial	4.16
Regional Commercial	3.95

(1) EDU Factors applicable to Original Willow Hill Pipeline Parcels 072-3310-001-0000 and 072-3310-002-0000 and any such Successor Willow Hill Pipeline Parcels of these two Original Willow Hill Pipeline Parcels are subject to adjustment prior to June 30, 2016 to adjust for unique water demands of the hillside property within the Russell Ranch project.

**ATTACHMENT B**  
**Original Willow Hill Pipeline Parcel EDU Assignment and**  
**Maximum Willow Hill Pipeline Special Tax**  
**(Fiscal Year 2016-2017)**

Assessor's Parcel Number	Willow Hill Pipeline EDU Assignment (1)	Maximum Willow Hill Pipeline Special Tax (2)
072-0060-007-0000	118	\$8,064.12
072-0060-076-0000	138	9,430.92
072-0060-077-0000	503	34,375.02
072-0060-078-0000	281	19,203.54
072-0060-079-0000	159	10,866.06
072-0060-080-0000	249	17,016.66
072-0060-081-0000	204	13,941.36
072-0060-082-0000	207	14,146.38
072-0060-083-0000	484	33,076.56
072-0060-084-0000	209	14,283.06
072-0060-085-0000	457	31,231.38
072-0060-088-0000	52	3,553.68
072-0060-090-0000	347	23,713.98
072-0060-091-0000	222	15,171.48
072-0060-092-0000	609	41,619.06
072-0060-093-0000	455	31,094.70
072-0060-094-0000	326	22,278.84
072-0070-001-0000	0	0.00
072-0070-006-0000	451	30,821.34
072-0070-023-0000	0	0.00
072-0070-035-0000	39	2,665.26
072-0231-140-0000	215	14,693.10
072-0270-028-0000	0	0.00
072-0270-147-0000	129	8,815.86
072-3190-001-0000	851	58,157.34
072-3190-002-0000	49	3,348.66
072-3190-003-0000	307	20,980.38
072-3190-004-0000	288	19,681.92
072-3190-005-0000	210	14,351.40
072-3190-006-0000	147	10,045.98
072-3190-007-0000	537	36,698.58
072-3190-008-0000	438	29,932.92
072-3190-009-0000	433	29,591.22
072-3310-001-0000	1,015	69,365.10
072-3310-002-0000	0	0.00
<b>Totals:</b>	<b>10,129</b>	<b>\$692,215.86</b>

- (1) Willow Hill Pipeline EDU assignments are subject to adjustment based on Specific Plan Amendments approved by the City Council prior to June 30, 2016.
- (2) On each July 1, commencing on July 1, 2017, the Maximum Willow Hill Pipeline Special Tax shall be increased by an amount equal to two percent (2%) of the Maximum Willow Hill Pipeline Special Tax amount in effect for the previous Fiscal Year.

**ATTACHMENT C**

**Maximum Area-Wide Facilities Special Tax  
Area-Wide Facilities EDU-A and Area-Wide Facilities EDU-B Factors  
(Fiscal Year 2016-2017)**

<b>Land Use Category</b>	<b>Area-Wide Facilities EDU-A Factor</b>	<b>Area-Wide Facilities EDU-B Factor</b>
<b>Residential:</b>	<b>(Per Unit)</b>	<b>(Per Unit)</b>
Single Family (1-4 units/acre)	1.25	1.00
Single Family – High Density (4-7 units/acre)	1.00	1.00
Multi Family – Low Density (7-12 units/acre)	0.62	0.66
Multi Family – Medium Density (12-20 units/acre)	0.51	0.66
Multi Family – High Density (20-30 units/acre)	0.49	0.66
Mixed Use Residential (9-30 units/acre)	0.43	0.66
<b>Non-Residential:</b>	<b>(Per Acre)</b>	<b>(Per Acre)</b>
Private Elementary/Middle School	6.97	0.00
Mixed Use Commercial	4.43	0.00
Industrial/Office Park	5.32	0.00
Community Commercial	4.16	0.00
General Commercial	4.16	0.00
Regional Commercial	3.95	0.00

**ATTACHMENT D**  
**Folsom Heights Parcels**  
**Maximum Area-Wide Facilities Special Tax**  
**Area-Wide Facilities EDU-A and Area-Wide Facilities EDU-B Factors**  
**(Fiscal Year 2016-2017)**

<b>Land Use Category</b>	<b>Area-Wide Facilities EDU-A Factor</b>	<b>Area-Wide Facilities EDU-B Factor</b>
<b>Residential:</b>	<b>(Per Unit)</b>	<b>(Per Unit)</b>
Single Family (1-4 units/acre)	0.81	1.00
Single Family – High Density (4-7 units/acre)	0.65	1.00
Multi Family – Low Density (7-12 units/acre)	0.40	0.66
Multi Family – Medium Density (12-20 units/acre)	0.33	0.66
Multi Family – High Density (20-30 units/acre)	0.32	0.66
Mixed Use Residential (9-30 units/acre)	0.28	0.66
<b>Non-Residential:</b>	<b>(Per Acre)</b>	<b>(Per Acre)</b>
Private Elementary/Middle School	4.54	0.00
Mixed Use Commercial	2.89	0.00
Industrial/Office Park	3.47	0.00
Community Commercial	2.71	0.00
General Commercial	2.71	0.00
Regional Commercial	2.58	0.00

**ATTACHMENT E**  
**Area-Wide Facilities EDU-A and Area-Wide Facilities EDU-B Assignment and Maximum Area-Wide Facilities Special Tax**  
**(Fiscal Year 2016-2017)**

<b>Assessor's Parcel Number</b>	<b>Area-Wide Facilities EDU-A Assignment (1)</b>	<b>Area-Wide Facilities EDU-B Assignment (1)</b>	<b>Maximum Area- Wide Facilities Special Tax-A (2)</b>	<b>Maximum Area- Wide Facilities Special Tax-B (2)</b>	<b>Maximum Area- Wide Facilities Special Tax</b>
072-0060-007-0000	109	107	\$32,700.00	\$18,725.00	\$51,425.00
072-0060-076-0000	138	147	41,400.00	25,725.00	67,125.00
072-0060-077-0000	475	454	142,500.00	79,450.00	221,950.00
072-0060-078-0000	281	290	84,300.00	50,750.00	135,050.00
072-0060-079-0000	159	206	47,700.00	36,050.00	83,750.00
072-0060-080-0000	249	249	74,700.00	43,575.00	118,275.00
072-0060-081-0000	204	207	61,200.00	36,225.00	97,425.00
072-0060-082-0000	207	223	62,100.00	39,025.00	101,125.00
072-0060-083-0000	484	500	145,200.00	87,500.00	232,700.00
072-0060-084-0000	209	208	62,700.00	36,400.00	99,100.00
072-0060-085-0000	457	461	137,100.00	80,675.00	217,775.00
072-0060-088-0000	47	43	14,100.00	7,525.00	21,625.00
072-0060-090-0000	316	284	94,800.00	49,700.00	144,500.00
072-0060-091-0000	222	262	66,600.00	45,850.00	112,450.00
072-0060-092-0000	580	558	174,000.00	97,650.00	271,650.00
072-0060-093-0000	409	377	122,700.00	65,975.00	188,675.00
072-0060-094-0000	326	328	97,800.00	57,400.00	155,200.00
072-0070-001-0000	221	323	66,300.00	56,525.00	122,825.00
072-0070-006-0000	410	380	123,000.00	66,500.00	189,500.00
072-0070-023-0000	0	0	0.00	0.00	0.00
072-0070-035-0000	39	42	11,700.00	7,350.00	19,050.00
072-0231-140-0000	215	0	64,500.00	0.00	64,500.00
072-0270-028-0000	150	164	45,000.00	28,700.00	73,700.00
072-0270-147-0000	101	81	30,300.00	14,175.00	44,475.00

Assessor's Parcel Number	Area-Wide Facilities EDU-A Assignment (1)	Area-Wide Facilities EDU-B Assignment (1)	Maximum Area-Wide Facilities Special Tax-A (2)	Maximum Area-Wide Facilities Special Tax-B (2)	Maximum Area-Wide Facilities Special Tax
072-3190-001-0000	851	742	255,300.00	129,850.00	385,150.00
072-3190-002-0000	49	0	14,700.00	0.00	14,700.00
072-3190-003-0000	307	295	92,100.00	51,625.00	143,725.00
072-3190-004-0000	279	306	83,700.00	53,550.00	137,250.00
072-3190-005-0000	196	185	58,800.00	32,375.00	91,175.00
072-3190-006-0000	147	0	44,100.00	0.00	44,100.00
072-3190-007-0000	423	338	126,900.00	59,150.00	186,050.00
072-3190-008-0000	438	320	131,400.00	56,000.00	187,400.00
072-3190-009-0000	433	465	129,900.00	81,375.00	211,275.00
072-3310-001-0000	912	840	273,600.00	147,000.00	420,600.00
072-3310-002-0000	0	0	0.00	0.00	0.00
<b>Totals:</b>	<b>10,043</b>	<b>9,385</b>	<b>\$3,012,900.00</b>	<b>\$1,642,375.00</b>	<b>\$4,655,275.00</b>

- (1) Area-Wide Facilities EDU-A and Area-Wide Facilities EDU-B assignments are subject to adjustment based on Specific Plan Amendments approved by the City Council prior to June 30, 2016.
- (2) On each July 1, commencing on July 1, 2017, the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B shall be increased by an amount equal to two percent (2%) of the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B amount in effect for the previous Fiscal Year.



**ATTACHMENT F**  
**Maximum Maintenance Special Tax**  
**Maintenance EDU Factors**  
**(Fiscal Year 2016-2017)**

<b>Land Use Category</b>	<b>Maintenance EDU Factor</b>
<b>Residential:</b>	<b>(Per Unit)</b>
Single Family (1-4 units/acre)	1.00
Single Family – High Density (4-7 units/acre)	1.00
Multi Family – Low Density (7-12 units/acre)	0.85
Multi Family – Medium Density (12-20 units/acre)	0.70
Multi Family – High Density (20-30 units/acre)	0.60
Mixed Use Residential (9-30 units/acre)	0.45
<b>Non-Residential:</b>	<b>(Per Acre)</b>
Private Elementary/Middle School	3.45
Mixed Use Commercial	3.45
Industrial/Office Park	3.45
Community Commercial	3.45
General Commercial	3.45
Regional Commercial	3.45

**ATTACHMENT G**  
**Maintenance EDU Assignment and Maximum Maintenance Special Tax**  
**(Fiscal Year 2016-2017)**

Assessor's Parcel Number	Maintenance EDU Assignment (1)	Maximum Maintenance Special Tax (2)
072-0060-007-0000	129	\$51,600.00
072-0060-076-0000	189	75,600.00
072-0060-077-0000	454	181,600.00
072-0060-078-0000	332	132,800.00
072-0060-079-0000	218	87,200.00
072-0060-080-0000	249	99,600.00
072-0060-081-0000	222	88,800.00
072-0060-082-0000	270	108,000.00
072-0060-083-0000	504	201,600.00
072-0060-084-0000	245	98,000.00
072-0060-085-0000	477	190,800.00
072-0060-088-0000	43	17,200.00
072-0060-090-0000	311	124,400.00
072-0060-091-0000	271	108,400.00
072-0060-092-0000	558	223,200.00
072-0060-093-0000	390	156,000.00
072-0060-094-0000	336	134,400.00
072-0070-001-0000	339	135,600.00
072-0070-006-0000	380	152,000.00
072-0070-023-0000	0	0.00
072-0070-035-0000	54	21,600.00
072-0231-140-0000	139	55,600.00
072-0270-028-0000	222	88,800.00
072-0270-147-0000	81	32,400.00
072-3190-001-0000	923	369,200.00
072-3190-002-0000	32	12,800.00
072-3190-003-0000	361	144,400.00
072-3190-004-0000	348	139,200.00
072-3190-005-0000	185	74,000.00
072-3190-006-0000	95	38,000.00
072-3190-007-0000	338	135,200.00
072-3190-008-0000	481	192,400.00
072-3190-009-0000	498	199,200.00
072-3310-001-0000	862	344,800.00
072-3310-002-0000	0	0.00
<b>Totals:</b>	<b>10,536</b>	<b>\$4,214,400.00</b>

- (1) Maintenance EDU assignments are subject to adjustment based on Specific Plan Amendments approved by the City Council prior to June 30, 2016.
- (2) On each July 1, commencing on July 1, 2017, the Maximum Maintenance Special Tax shall be increased by the Maintenance Special Tax Escalation Factor of the Maximum Maintenance Special Tax amount in effect for the previous Fiscal Year.

**ATTACHMENT H**  
**Maximum TDM Services Special Tax**  
**TDM EDU Factors**  
**(Fiscal Year 2018-2019)**

<b>Land Use Category</b>	<b>TDM EDU Factor</b>
<b>Residential:</b>	<b>(Per Unit)</b>
Single Family (1-4 units/acre)	1.00
Single Family – High Density (4-7 units/acre)	1.00
Multi Family – Low Density (7-12 units/acre)	0.85
Multi Family – Medium Density (12-20 units/acre)	0.85
Multi Family – High Density (20-30 units/acre)	0.75
Mixed Use Residential (9-30 units/acre)	0.75
<b>Non-Residential:</b>	<b>(Per Acre)</b>
Private Elementary/Middle School	15.00
Mixed Use Commercial	15.00
Industrial/Office Park	15.00
Community Commercial	15.00
General Commercial	15.00
Regional Commercial	15.00