

RESOLUTION R2025-\_\_\_\_

RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE  
CITY OF MANTECA TO FORM CITY OF MANTECA COMMUNITY  
FACILITIES DISTRICT NO. 2025-1 (INDELICATO FACILITIES  
AND SERVICES), AND TO LEVY SPECIAL TAXES THEREIN TO  
FINANCE CERTAIN PUBLIC SERVICES AND THE ACQUISITION  
AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES

WHEREAS, the City Council (the "City Council") of the City of Manteca (the "City"), having received a request from the developer of land proposed to be included in a community facilities district, has duly considered the advisability and necessity of establishing a community facilities district in an area of the City described herein and levying a special tax therein to finance the acquisition and construction of certain public facilities and finance certain public services to be provided to parcels within such community facilities district under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, the City Council desires to proceed with the establishment of a community facilities district in order to finance costs of public infrastructure necessary or incidental to new development in the City; and

WHEREAS, the City Council has determined that the establishment of such community facilities district is consistent with the local goals and policies concerning the use of the Act that have been adopted by the City Council and are now in effect; and

WHEREAS, the City Council is fully advised in this matter.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANTECA, AS FOLLOWS:

1. It is the intention of the City Council to establish a community facilities district within the City under the terms of the Act for the purpose of financing costs of public infrastructure necessary or incidental to new development in the City.
2. The name for the proposed community facilities district is the "City of Manteca Community Facilities District No. 2025-1 (Indelicato Facilities and Services)" (the "CFD"). Pursuant to Section 53350 of the Act, all of the territory to be initially included in the CFD (as shown on the map described in Section 3 hereof) is hereby designated as the CFD.
3. The proposed boundaries of the CFD are as shown on the map entitled, "Proposed Boundaries of City of Manteca Community Facilities District No. 2025-1 (Indelicato Facilities and Services)," on file with the City Clerk, which the City Council approves as the map describing the extent of the territory included in the proposed CFD. The City Council finds that the map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code. The City Council directs the City Clerk to certify the adoption of this resolution on the face of the map, and to file a copy of the map in the office of the City Clerk in accordance with Section 3111 of the California Streets and Highways Code and within 15 days of the date of

adoption of this resolution but in no event later than 15 days prior to the public hearing provided for herein, transmit the map to the County Recorder for recording in the Book of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of San Joaquin.

4. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities (as defined below), and/or the principal and interest as it becomes due on bonds issued by the City for the CFD to construct and/or acquire the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes, or in such other manner as the City Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit A attached hereto and hereby incorporated herein.

The City Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to *ad valorem* property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

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

5. The type of public facilities proposed to be financed by the CFD pursuant to the Act shall consist of those items listed as Facilities, and incidental costs related thereto (the "Facilities") shall consist of those items listed as facilities on Exhibit B hereto and hereby incorporated herein, and the type of public services proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as services on Exhibit B hereto (the "Services"). The financing of the costs of Facilities may include, without limitation, the payment of principal of and interest on bonds together with all direct, indirect periodic, and/or other related costs (including, without limitation, costs of administering the CFD, levying the Special Tax and administering the bonds, and establishing and replenishing reserve funds). The City Council hereby finds and determines that the public interest will not be served by allowing the property owners in the CFD to enter into a contract in accordance with Section 53329.5(a) of the Act. Notwithstanding the foregoing, the City Council, on behalf of the CFD, may enter into one or more contracts directly with any of the property owners with respect to the construction and/or acquisition of any portion of the Facilities.

The Council hereby determines that the Services are necessary to meet increased demands for such services placed upon the City as the result of development occurring within the area of the CFD. The Services are in addition to those provided in the territory of the CFD as of the date hereof and will not supplant services already available within the territory of the CFD as of the date hereof.

6. It is the intention of the City Council that, except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California and the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, the City will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the required debt service payments and other annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax. It is anticipated that the Special Tax will be billed as a separate line item on the regular property tax bill. However, the City Council reserves the right, under Section 53340, to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing.
7. The levy of the CFD Special Tax shall be subject to the approval of the qualified electors within CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in CFD, with each owner having one vote for each acre or portion of an acre such owner owns in CFD not exempt from the CFD Special Tax.
8. In order to finance the costs of the Facilities, it is necessary to incur bonded indebtedness on behalf of the CFD and it is the intention of this City Council, acting as the legislative body for the CFD, to cause bonds of the City to be issued for the CFD pursuant to the Act to finance in whole or in part the construction and/or acquisition of the Facilities in one or more series in an aggregate amount not to exceed \$7,000,000 (the "Authorization"). Indebtedness subject to the Authorization shall only include indebtedness evidenced by bonds or notes and shall not include bonds described in Section 53364.2(e) of the Act.
9. The Director of Finance of the City, as the officer having charge and control of the Facilities and Services, or the designee of such official, is hereby directed to cause and direct a study of said proposed CFD and the Facilities and Services and to cause to be prepared for filing at the public hearing the report required by Section 53321.5 of the Act (the "CFD Report") presenting at least the following:
  - (a) A brief description of the Facilities and Services by type which will be required to adequately meet the needs of the CFD.
  - (b) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and all other related costs as provided in Section 53345.3 of the Act.

The CFD Report shall be made a part of the record of the public hearing specified below.

10. The City Council also intends to establish the annual appropriations limit of the CFD in the amount not to exceed the amount of bonds authorized for the CFD.
11. The City Council hereby sets Tuesday, September 2, 2025, at the hour of 6:00 P.M., at the regular meeting place of the City Council, City Council Chambers, Manteca City Hall, 1001 W. Center Street, Manteca, California 95337, as the time and place when and where the City Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the levy of the Special Tax. At the hearing, testimony concerning the CFD, the extent of the CFD or the furnishing of the particular types of public facilities and services will be heard and protests will be considered from registered voters residing within the CFD and persons owning real property within the CFD. Written protests by the owners of a majority of the land which would be subject to special taxation within the proposed the CFD will require the suspension of proceedings for at least one year. Written protests must be filed with the City Clerk at or before the time fixed for the hearing. If such protests are directed only against certain elements of the proposed improvements or proposed special tax, and if such protests constitute a majority protest, only those elements shall be deleted from the proceedings.
12. The City Clerk is hereby directed to cause notice of the public hearing, in the form attached hereto as Exhibit C, to be given in the form required by the Act, which requires publication in a newspaper of general circulation circulated within the CFD, which such publication shall be made pursuant to Section 6061 of the Government Code of the State of California. The publication shall be completed at least 7 days before the date of the public hearing referenced above. The notice shall be substantially in the form specified in Section 53322 of the Act and attached hereto, with the form summarizing the provisions hereof hereby specifically approved.
13. Section 53314.9 of the Act provides that, either before or after formation of the CFD, the City may accept work in-kind from any source, including, but not limited to, private persons or private entities, may provide, by resolution, for the use of that work in-kind for any authorized purpose and the City Council may enter into an agreement (an "Acquisition Agreement"), by resolution, with the person or entity advancing the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by the City Council, with or without interest, under the conditions specified in the Act. Any work in-kind must be performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of, the City.

Section 53316.2 of the Act provides that a community facilities district may finance facilities to be owned or operated by a public agency other than the agency that created the district, or services to be provided by a public agency other than the agency that created the district, or any combination, only pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to this section. The City Manager, the Finance Director of the City and each other authorized officer of the City is hereby authorized and directed to enter into such joint community facilities agreements as are needed with respect to any entity other than the City that will own or operate any of the Facilities, as may be necessary to comply with the provisions of Section 53316.2 of the Act. The City

Council hereby declares that such joint agreements will be beneficial to owners of property in the area of the CFD.

14. Section 53314.9 of the Act provides that, either before or after formation of the CFD, the City may accept work in-kind from any source, including, but not limited to, private persons or private entities, may provide, by resolution, for the use of that work in-kind for any authorized purpose and the City Council may enter into an agreement (an "Acquisition Agreement"), by resolution, with the person or entity advancing the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by the City Council, with or without interest, under the conditions specified in the Act. Any work in-kind must be performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of, the City.
15. The City Council finds and determines that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4).
16. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Manteca at a public meeting of said City Council held on the \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR: \_\_\_\_\_  
GARY SINGH  
Mayor

ATTEST: \_\_\_\_\_  
CASSANDRA CANDINI-TILTON  
City Clerk

EXHIBIT A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF MANTECA  
COMMUNITY FACILITIES DISTRICT NO. 2025-1  
(INDELICATO FACILITIES AND SERVICES)

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES  
FOR CITY OF MANTECA  
COMMUNITY FACILITIES DISTRICT NO. 2025-1  
(INDELICATO FACILITIES AND SERVICES)**

A Special Tax, as hereinafter defined, shall be levied and collected within the City of Manteca Community Facilities District No. 2025-1 (Indelicato Facilities and Services) each Fiscal Year commencing in Fiscal Year 2026/27, in an amount determined by the application of the procedures below. All Taxable Property within CFD No. 2025-1, as hereinafter defined, 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. DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**"Accessory Dwelling Unit" or "ADU"** means all Assessor's Parcels of Residential Property for which a building permit(s) has been issued for an "Accessory Dwelling Unit" that is separate from a primary Unit, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a primary Unit.

**"Acre" or "Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map. In the event that the Assessor's Parcel Map shows no acreage, the Acreage for any Assessor's Parcel may be determined by the CFD Administrator based upon, in the CFD Administrator's discretion, the applicable condominium plan, final map, parcel map, Assessor's Data or by using available spatial data and GIS.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2 of Title 5 of the Government Code of the State.

**"Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of CFD No. 2025-1 including, but not limited to, the following: the costs of any paying agents/fiscal agents/trustees related to CFD No. 2025-1 Bond payments (including the fees and expenses of related counsel); the costs of computing the Annual Facilities Special Tax Requirement and the Annual Services Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, County Tax Collector's Office or County Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements associated with applicable federal and state securities laws, or otherwise related to CFD No. 2025-1 or CFD No. 2025-1 Bonds; the City's annual administration fees and third party expenses; costs of responding to public inquiries regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Tax or interpretation of this Rate and Method of Apportionment; amounts needed to pay any required arbitrage rebate to the federal government related to CFD No. 2025-1 Bonds; the costs associated with the release of funds from any escrow account; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in CFD No. 2025-1. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2025-1 for any other administrative purposes of CFD No. 2025-1.

**"Annual Facilities Special Tax Requirement"** means that amount required in any Fiscal Year for CFD No. 2025-1 to (1) pay Debt Service on all Outstanding CFD No. 2025-1 Bonds due in the Debt Year that commences in such Fiscal Year; (2) pay debt service on bonds expected to be issued by CFD No. 2025-1 due in the Debt Year that commences in such Fiscal Year; (3) Administrative Expenses; (4) provide any amount required to establish or replenish a reserve fund in connection with any CFD No. 2025-1 Bonds; (5) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (3) or (4); and (6) account for Pay-As-You-Go Expenditures for the Authorize Facilities so long as such amounts do not increase the levy of Special Taxes against Final Map Property or Undeveloped Property. The amounts referred to in clauses (1) through (5) of the preceding sentence may be reduced in any Fiscal Year (in the City's sole discretion) by (i) surplus balances in funds and accounts for CFD No. 2025-1 Bonds to the extent that such balances are available to apply against Debt Service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding CFD No. 2025-1 Bonds or other indebtedness as determined by the CFD Administrator.

**"Annual Services Special Tax Requirement"** means that amount required in any Fiscal Year for CFD No. 2025-1 to (1) pay for Authorized Services; (2) Administrative Expenses; (3) provide any amount required to establish or replenish a reserve fund; (4) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (2) or (3).

**"Assessor's Data"** means the property characteristic data compiled and maintained by the County Assessor for each Assessor's Parcel, including, but not limited to, Assessor's Parcel Number, Acreage, Building Square Footage, and Units.

**"Assessor's Parcel"** or **"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 designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number"** or **"APN"** means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

**"Assigned Facilities Special Tax"** means the Assigned Facilities Special Tax determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

**"Authorized Facilities"** means the public facilities authorized to be financed, in whole or in part, by CFD No. 2025-1 Bonds or Facilities Special Tax revenue dedicated to Pay-As-You-Go Expenditures for CFD No. 2025-1.

**"Authorized Services"** means the public services authorized to be financed, in whole or in part, by CFD No. 2025-1 Services Special Tax revenue.



**"Backup Facilities Special Tax"** means the Backup Facilities Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with the applicable subsection of Section C below.

**"Boundary Map"** means a map of CFD No. 2025-1 recorded with the County which indicates by a boundary line the extent of the territory identified to be subject to the levy of the Special Tax.

**"Building Permit"** means a permit issued by the City for new construction of a residential or non-residential building on an Assessor's Parcel.

**"Building Square Feet" or "BSF"** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Building Square Feet shall be made by reference to the building permit(s) issued for such residential dwelling unit. In the event that the building permit does not show Building Square Feet, other records of the City or Assessor's Data shall be used as determined by the CFD Administrator.

**"CFD Administrator"** means an official of the City, or designee thereof, responsible for determining the Annual Facilities Special Tax Requirement and the Annual Services Special Tax Requirement, and otherwise providing for the levy and collection of the Special Taxes.

**"CFD No. 2025-1"** means City of Manteca Community Facilities District No. 2025-1 (Indelicato Facilities and Services), established by the City Council pursuant to the Act.

**"CFD No. 2025-1 Bonds"** means bonds or other Debt (as defined in section 53317 of the Act), whether in one or more series, issued or assumed by or on behalf of the City for CFD No. 2025-1 under the Act, and secured by pledge of the Facilities Special Taxes.

**"City"** means the City of Manteca, California.

**"City Council"** means the City Council of the City, acting as the legislative body of CFD No. 2025-1.

**"County"** means the County of San Joaquin, California.

**"Debt Service"** means for each Debt Year, the total amount of principal and interest due on any Outstanding CFD No. 2025-1 Bonds.

**"Debt Year"** means the twelve (12) month period ending on the second debt service payment date of each calendar year.

**"Developed Property"** means, in any Fiscal Year, all Taxable Property in CFD No. 2025-1 for which a Building Permit for new construction was issued by the City prior to June 30 of the preceding Fiscal Year.

**"Development Class"** means, individually, Developed Property, Final Map Property, Property Owner's Association Property, Taxable Property Owner's Association Property, Taxable Public Property, and Undeveloped Property.

**"Exempt Property"** means all property located within the boundaries of CFD No. 2025-1 which is exempt from the Special Tax pursuant to the Act or Section F below.

**"Facilities Special Tax"** means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2025-1 to fund the Annual Facilities Special Tax Requirement.

**"Final Map Property"** means, in any Fiscal Year, all Residential Lots created within a Final Subdivision Map which has recorded prior to June 30 of the preceding Fiscal Year.

**"Final Subdivision Map"** means 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.*) or recordation of a condominium plan pursuant to California Civil Code 4285, that creates individual lots for which Building Permits may be issued without further subdivision of such property.

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

**"GIS" or "Geographic Information System"** means a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.

**"Indenture"** means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2025-1 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**"Land Use Class"** means any of the classes listed in Tables 1-4 in Sections C and D herein.

**"Maximum Facilities Special Tax"** means the Maximum Facilities Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

**"Maximum Services Special Tax"** means the Maximum Services Special Tax, determined in accordance with Section D below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

**"Non-Residential Property"** means, in any Fiscal Year all Assessor's Parcels of Developed Property for which a building permit(s) was issued for a structure intended for non-residential use.

**"Open Space Property"** means property within the boundaries of CFD No. 2025-1 which (i) has been designated with specific boundaries and Acreage on a final subdivision map as open space, (ii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iii) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Outstanding CFD No. 2025-1 Bonds"** means all CFD No. 2025-1 Bonds which are outstanding under and in accordance with the provisions of the Indenture.

**"Pay-As-You-Go Expenditure"** means Facilities Special Tax revenue, which is used or set aside for Authorized Facilities, including for Authorized Facilities to be constructed or acquired by CFD No. 2025-1.

**"Property Owner's Association" or "POA"** means any duly constituted property owner's association. As used in this definition, a Property Owner's Association includes any home-owner's association, condominium owner's association, master or sub-association or non-residential owner's association.

**"Property Owner's Association Property"** means any property within the boundaries of CFD No. 2025-1 which is (a) owned by a Property Owner's Association or (b) designated with specific boundaries and acreage on a final subdivision map as Property Owner's Association Property.

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

**"Public Property"** means any property within the boundaries of CFD No. 2025-1 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) 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, the County, the City, school districts, or any other governmental agency.

**"Rate and Method of Apportionment"** means this Rate and Method of Apportionment of Special Taxes for CFD No. 2025-1.

**"Residential Lot"** means, an individual residential lot within a recorded Final Subdivision Map on which a Building Permit has been or is permitted to be issued for construction of one or more Units.

**"Residential Property"** means all Assessor's Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential Units.

**"Services Special Tax"** means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2025-1 to fund the Annual Services Special Tax Requirement.

**"Special Tax"** means the Facilities Special Tax and/or the Services Special Tax.

**"State"** means the State of California.

**"Taxable Property"** means all the Assessor's Parcels within the boundaries of CFD No. 2025-1 that are not exempt from the Special Tax pursuant to law or Section F below.

**"Taxable Property Owner's Association Property"** means all Assessors Parcels of Property Owner's Association Property that are not exempt pursuant to Section F herein.

**"Taxable Public Property"** means all Assessors Parcels of Public Property that are not exempt pursuant to Section F herein.

**"Tax Zone"** means a mutually exclusive geographic area within CFD No. 2025-1 within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. Reference shall be made to the recorded Boundary Map for CFD No. 2025-1 for assigning the appropriate Tax Zone to each Assessor's Parcel.

**"Tax Zone No. 1"** means the geographic area within CFD No. 2025-1 identified as Tax Zone No. 1 on the recorded Boundary Map.

**"Tax Zone No. 2"** means the geographic area within CFD No. 2025-1 identified as Tax Zone No. 2 on the recorded Boundary Map.

**"Transition Event"** means the earlier of (i) Fiscal Year 2060/61 or (ii) the Fiscal Year when the CFD Administrator determines that all of the following events have occurred: (a) all Authorized Facilities have been financed, (b) all CFD No. 2025-1 Bonds have been fully repaid and the City determines that no

additional CFD No. 2025-1 Bonds are to be issued, and (c) all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City.

**"Transition Year"** means the first year in which the CFD Administrator determines that the Transition Event occurred in the prior Fiscal Year.

**"Trustee"** means the trustee or fiscal agent or paying agent acting as such under the applicable Indenture.

**"Undeveloped Property"** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Map Property, Taxable Property Owner's Association Property, or Taxable Public Property.

**"Unit"** means an individual single family detached residential unit or an individual residential unit within a duplex, triplex, fourplex, townhome or condominium structure. The number of Units assigned to each Assessor's Parcel may be determined by (i) referencing Assessor's Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator. An Accessory Dwelling Unit shall not be considered a Unit for the purposes of the Special Tax.

**"Welfare Exempt Property"** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 2025-1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of CFD No. 2025-1 Bonds, as applicable, any Assessor's Parcels that received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## **B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, the CFD Administrator shall determine the Assessor's Parcel Numbers for all Taxable Property within CFD No. 2025-1 for the then-current Fiscal Year and shall also determine if the Transition Event has occurred. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Maximum Facilities Special Tax and Maximum Services Special Tax shall be assigned to the new Assessor's Parcels Numbers pursuant to Sections C and D. The CFD Administrator shall also determine: (i) the Tax Zone each Parcel of Taxable Property is in; (ii) the appropriate Development Class for each Parcel of Taxable Property; (iii) the number of BSF, Units or Acreage each Parcel contains; (iv) the property type, i.e., Residential Property and Non-Residential Property, etc.; and (v) the Annual Facilities Special Tax Requirement and the Annual Services Special Tax Requirement for the Fiscal Year.

## **C. MAXIMUM FACILITIES SPECIAL TAX**

### **1. Developed Property**

The Maximum Facilities Special Tax for each Assessor's Parcel of Developed Property shall be the greater of (i) the amount derived by application of the Assigned Facilities Special Tax or (ii) the amount derived by application of the Backup Facilities Special Tax.

**a. Assigned Facilities Special Tax**

The Assigned Facilities Special Tax rates for each Assessor's Parcel of Developed Property within Tax Zone Nos. 1 and 2 are shown in Tables 1 and 2, respectively.

**TABLE 1**  
**ASSIGNED FACILITIES SPECIAL TAX FOR DEVELOPED PROPERTY**  
**TAX ZONE NO. 1**  
**FISCAL YEAR 2026/27**

<b>Land Use Class</b>	<b>Description</b>	<b>Building Square Feet</b>	<b>Assigned Facilities Special Tax</b>
1	Residential Property	> 2,400 BSF	\$2,026.00 per Unit
2	Residential Property	2,101 - 2,400 BSF	\$1,844.00 per Unit
3	Residential Property	1,800 - 2,100 BSF	\$2,002.00 per Unit
4	Residential Property	< 1,800 BSF	\$1,993.00 per Unit
5	Accessory Dwelling Unit	N/A	\$0.00 per Unit
6	Non-Residential Property	N/A	\$0.00 per Acre

**TABLE 2**  
**ASSIGNED FACILITIES SPECIAL TAX FOR DEVELOPED PROPERTY**  
**TAX ZONE NO. 2**  
**FISCAL YEAR 2026/27**

<b>Land Use Class</b>	<b>Description</b>	<b>Building Square Feet</b>	<b>Assigned Facilities Special Tax</b>
1	Residential Property	> 3,100 BSF	\$2,247.00 per Unit
2	Residential Property	2,801 - 3,100 BSF	\$2,330.00 per Unit
3	Residential Property	2,501 - 2,800 BSF	\$2,161.00 per Unit
4	Residential Property	2,275 - 2,500 BSF	\$2,093.00 per Unit
5	Residential Property	< 2,275 BSF	\$2,127.00 per Unit
6	Accessory Dwelling Unit	N/A	\$0.00 per Unit
7	Non-Residential Property	N/A	\$0.00 per Acre

**b. Backup Facilities Special Tax**

The Fiscal Year 2026/27 aggregate Backup Facilities Special Tax attributable to Developed Property will equal the Maximum Facilities Special Tax as determined in Section 2.b., below, when such

property became Final Map Property.

**c. Increase in the Assigned Facilities Special Tax and Backup Facilities Special Tax**

On each July 1, commencing on July 1, 2027, through July 1, 2060, the Assigned Facilities Special Tax and the Backup Facilities Special Tax for Developed Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

**d. Multiple Land Use Classes**

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Facilities Special Tax levied on an Assessor's Parcel shall be the sum of the Facilities Special Tax for all Land Use Classes located on that Assessor's Parcel.

**2. Final Map Property**

The Maximum Facilities Special Tax for each Assessor's Parcel of Final Map Property shall be the greater of (i) the amount derived by application of the Assigned Facilities Special Tax for Final Map Property or (ii) the amount derived by application of the Backup Facilities Special Tax.

**a. Assigned Facilities Special Tax for Final Map Property**

*Tax Zone No. 1*

The Assigned Facilities Special Tax for each Assessor's Parcel of Final Map Property within Tax Zone No. 1 shall be \$1,967 per Residential Lot in Fiscal Year 2026/27.

*Tax Zone No. 2*

The Assigned Facilities Special Tax for each Assessor's Parcel of Final Map Property within Tax Zone No. 2 shall be \$2,194 per Residential Lot in Fiscal Year 2026/27.

**b. Backup Facilities Special Tax**

*Tax Zone No. 1*

The Fiscal Year 2026/27 aggregate Backup Facilities Special Tax attributable to property within a Final Subdivision Map within Tax Zone No. 1 will equal \$13,710 per Acre multiplied by the Acreage of all Taxable Property located within such Final Subdivision Map within Tax Zone No. 1, excluding Acreage associated with current or expected Taxable Public Property and Taxable Property Owner's Association Property.

The Backup Facilities Special Tax for each Assessor's Parcel of Residential Property in a Final Subdivision Map within Tax Zone No. 1 shall be computed by dividing the aggregate Backup Facilities Special Tax attributable to all Assessor's Parcels of Taxable Property within Tax Zone No. 1 for which building permits for residential construction have or may be issued, as determined in the preceding paragraph, by the number of such Assessor's Parcels (i.e., the number of Residential Lots) within Tax Zone No. 1.

Notwithstanding the foregoing, if all or any portion of a Final Subdivision Map is subsequently changed or modified, then the Backup Facilities Special Tax for each Assessor's Parcel of

Residential Property for the portion thereof that is changed or modified, shall be a rate per Acre calculated as follows:

1. Determine the total Backup Facilities Special Taxes anticipated to apply to the changed or modified portion of the Final Subdivision Map within Tax Zone No. 1 prior to the change or modification.
2. Divide the amount determined pursuant to paragraph 1 above by the total Acreage of Residential Property excluding Taxable Public Property and Taxable Property Owner's Association Property within Tax Zone No. 1 which is ultimately expected to exist in such changed or modified Final Subdivision Map area, as reasonably determined by the CFD Administrator.

The result is the Backup Facilities Special Tax per Acre which shall be applicable to all Assessor's Parcels of Residential Property in such changed or modified Final Subdivision Map within Tax Zone No. 1. Parcels of Residential Property that were not modified shall not have its Backup Facilities Special Tax recalculated.

#### Tax Zone No. 2

The Fiscal Year 2026/27 aggregate Backup Facilities Special Tax attributable to property within a Final Subdivision Map within Tax Zone No. 2 will equal \$14,385 per Acre multiplied by the Acreage of all Taxable Property located within such Final Subdivision Map within Tax Zone No. 2, excluding Acreage associated with current or expected Taxable Public Property and Taxable Property Owner's Association Property.

The Backup Facilities Special Tax for each Assessor's Parcel of Residential Property in a Final Subdivision Map within Tax Zone No. 2 shall be computed by dividing the aggregate Backup Facilities Special Tax attributable to all Assessor's Parcels of Taxable Property within Tax Zone No. 2 for which building permits for residential construction have or may be issued, as determined in the preceding paragraph, by the number of such Assessor's Parcels (i.e., the number of Residential Lots) within Tax Zone No. 2.

Notwithstanding the foregoing, if all or any portion of a Final Subdivision Map is subsequently changed or modified, then the Backup Facilities Special Tax for each Assessor's Parcel of Residential Property for the portion thereof that is changed or modified, shall be a rate per Acre calculated as follows:

1. Determine the total Backup Facilities Special Taxes anticipated to apply to the changed or modified portion of the Final Subdivision Map within Tax Zone No. 2 prior to the change or modification.
2. Divide the amount determined pursuant to paragraph 1 above by the total Acreage of Residential Property excluding Taxable Public Property and Taxable Property Owner's Association Property within Tax Zone No. 2 which is ultimately expected to exist in such changed or modified Final Subdivision Map area, as reasonably determined by the CFD Administrator.

The result is the Backup Facilities Special Tax per Acre which shall be applicable to all Assessor's Parcels of Residential Property in such changed or modified Final Subdivision Map within Tax Zone No. 2. Parcels of Residential Property that were not modified shall not have its Backup Facilities Special Tax recalculated.

**c. Increase in the Assigned Facilities Special Tax and Backup Facilities Special Tax**

On each July 1, commencing on July 1, 2027, through July 1, 2060, the Assigned Facilities Special Tax and the Backup Facilities Special Tax for Final Map Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

**3. Undeveloped Property, Taxable Property Owner's Association Property, and Taxable Public Property**

**a. Maximum Facilities Special Tax**

The Maximum Facilities Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Property Owner's Association Property, and Taxable Public Property in both Tax Zone No. 1 and in Tax Zone No. 2 shall be \$14,079 per Acre in Fiscal Year 2026/27.

**b. Increase in the Maximum Facilities Special Tax**

On each July 1, commencing on July 1, 2027, through July 1, 2060, the Maximum Facilities Special Tax for Undeveloped Property, Taxable Property Owner's Association Property, and Taxable Public Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

**D. MAXIMUM SERVICES SPECIAL TAX**

**Developed Property**

Prior to the Transition Year, the Maximum Services Special Tax for each Assessor's Parcel of Developed Property within Tax Zone Nos. 1 and 2 are shown in Tables 3 and 4, respectively.

**TABLE 3  
MAXIMUM SERVICES SPECIAL TAX FOR DEVELOPED PROPERTY  
TAX ZONE NO. 1  
FISCAL YEAR 2026/27**

<b>Land Use Class</b>	<b>Description</b>	<b>Maximum Services Special Tax</b>
1	Residential Property	\$184.00 per Unit
2	Accessory Dwelling Unit	\$0.00 per Unit
3	Non-Residential Property	\$0.00 per Acre



**TABLE 4**  
**MAXIMUM SERVICES SPECIAL TAX FOR DEVELOPED PROPERTY**  
**TAX ZONE NO. 2**  
**FISCAL YEAR 2026/27**

<b>Land Use Class</b>	<b>Description</b>	<b>Maximum Services Special Tax</b>
1	Residential Property	\$212.00 per Unit
2	Accessory Dwelling Unit	\$0.00 per Unit
3	Non-Residential Property	\$0.00 per Acre

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

On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax for Developed Property in Tax Zone No. 1 and in Tax Zone No. 2 shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

**b. After the Transition Event**

After the Transition Event and commencing in the Transition Year, the Maximum Services Special Tax for each Assessor's Parcel of Developed Property in each Tax Zone in effect for such Transition Year shall be increased by an amount equal to 210% of the Maximum Services Special Tax in effect in the Transition Year (before the increase). The revised amounts for each Assessor's Parcel of Developed Property in each Tax Zone shall be the Maximum Services Special Tax commencing in the Transition Year and each year thereafter, subject to annual increases. On each July 1, commencing in the Fiscal Year immediately following the Transition Year, the revised Maximum Services Special Tax for Developed Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

**E. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES**

**1. Facilities Special Tax**

Commencing with Fiscal Year 2026/27 and for each following Fiscal Year, the CFD Administrator shall determine the Annual Facilities Special Tax Requirement and shall levy the Facilities Special Tax in each Fiscal Year as follows:

First: For the first 10 Fiscal Years commencing in the Fiscal Year in which the Facilities Special Tax is first levied on Developed Property, the Facilities Special Tax shall be levied on each Assessor's Parcel of Developed Property at 100% of the applicable Assigned Facilities Special Tax to satisfy the Annual Facilities Special Tax Requirement. Thereafter, the Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at a rate up to 100% of the applicable Assigned Facilities Special Tax to satisfy the Annual Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Annual Facilities Special Tax Requirement after the

first step has been completed, the Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax for Final Map Property to satisfy the Annual Facilities Special Tax Requirement.

Third: If additional monies are needed to satisfy the Annual Facilities Special Tax Requirement after the second step has been completed, the Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax for Undeveloped Property to satisfy the Annual Facilities Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Annual Facilities Special Tax Requirement after the first three steps have been completed, then the levy of the Facilities Special Tax on each Assessor's Parcel of Developed Property whose Maximum Facilities Special Tax is determined through the application of the Backup Facilities Special Tax shall be increased in equal percentages from the applicable Assigned Facilities Special Tax up to 100% of the Maximum Facilities Special Tax for each such Assessor's Parcel to satisfy the Annual Facilities Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Annual Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied on each Assessor's Parcel of Taxable Property Owner's Association Property at a rate up to 100% of the Maximum Facilities Special Tax for Taxable Property Owner's Association Property to satisfy the Annual Facilities Special Tax Requirement.

Sixth: If additional monies are needed to satisfy the Annual Facilities Special Tax Requirement after the first five steps have been completed, then the Facilities Special Tax shall be levied Proportionately on all Taxable Public Property at a rate up to 100% of the Maximum Facilities Special Tax for Taxable Public Property to satisfy the Annual Facilities Special Tax Requirement.

## **2. Services Special Tax**

Commencing with Fiscal Year 2026/27 and for each following Fiscal Year, the CFD Administrator shall determine the Annual Services Special Tax Requirement and shall levy the Services Special Tax until the amount of the Services Special Tax levied equals the Annual Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The 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 Services Special Tax to satisfy the Annual Services Special Tax Requirement.

## **F. EXEMPTIONS**

1. No Facilities Special Tax shall be levied on up to 3.03 Acres of Property Owner's Association Property and/or Public Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner's Association Property, or Public Property. If an Assessor's Parcel of Taxable Property becomes Property Owner's Association Property or Public Property after previously being subject to the Facilities Special Tax, such property shall be reclassified as either Taxable Property Owner's Association Property or Taxable Public Property.

2. Property Owner's Association Property that is not exempt from the Facilities Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Property Owner's Association Property. Taxable Property Owner's Association Property shall be subject to the levy of the Facilities Special Tax and shall be taxed Proportionately as part of the fifth step in Section E.1 above, at up to 100% of the applicable Maximum Facilities Special Tax for Taxable Property Owner's Association Property.
3. Public Property that is not exempt from the Facilities Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Public Property. Taxable Public Property shall be subject to the levy of the Facilities Special Tax and shall be taxed Proportionately as part of the sixth step in Section E.1 above, at up to 100% of the applicable Maximum Facilities Special Tax for Taxable Public Property.
4. No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of CFD No. 2025-1 Bonds, as applicable, any Assessor's Parcels that received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

**G. APPEAL OF SPECIAL TAX LEVY**

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct with respect to one or more specific Assessor's Parcels. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Taxes theretofore levied on the Assessor's Parcel(s). In addition, during the term of the appeal process, all Special Tax levied must be paid for the subject Assessor's Parcel(s) prior to delinquency.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**H. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT**

The City may, by resolution or ordinance, interpret, clarify and/or revise this Rate and Method of Apportionment to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of Assessor's Parcels, or any definition used herein, as long as once CFD No. 2025-1 Bonds have been issued such correction does not materially adversely affect the levy and collection of Special Taxes on any Assessor's Parcel needed to repay the CFD No. 2025-1 Bonds.

In addition, the interpretation and application of any section of this document shall be at the CFD Administrator's discretion.

**I. MANNER OF COLLECTION**

The Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, that the CFD Administrator may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2025-1. The City may covenant to foreclose and may actually foreclose or cause an action for foreclosure to be prosecuted in respect of Assessor's Parcels of Taxable Property that are delinquent in the payment of the Special Tax.

**J PREPAYMENT OF FACILITIES SPECIAL TAX**

The following definitions apply to this Section J:

**"Authorized Facilities"** means the public facilities authorized to be financed, in whole or in part, by CFD No. 2025-1.

**"Buildout"** means the state of maximum development of CFD No. 2025-1, based on plans and anticipated development.

**"CFD Public Facilities Cost"** means \$5,500,000 for CFD No. 2025-1, expressed in 2025 dollars, which shall increase by the annual percentage change in the Construction Inflation Index on July 1, 2026 and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 2025-1 under the authorized bonding program for CFD No. 2025-1, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Facilities Special Taxes levied under this Rate and Method of Apportionment as described in Section C.

**"Construction Inflation Index"** means the annual percentage change in the Engineering News-Record Building Cost Index for the City of San Francisco, measured as of the calendar year which ends in the previous Fiscal Year, but not less than zero percent. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of San Francisco.

**"Future Facilities Costs"** means, as of the date of prepayment, the CFD Public Facilities Costs minus the portion of the CFD Public Facilities Costs previously funded from (a) proceeds of all Previously Issued CFD No. 2025-1 Bonds, which were, at the time of issuance, available to the City for Authorized Facilities, (b) interest earnings on the Improvement Fund actually earned prior to the date of prepayment and available to financing Authorized Facilities, and (c) proceeds of the Facilities Special Tax dedicated to Pay-As-You-Go Expenditures. In no case, shall the Future Facilities Costs be less than zero.

**"Previously Issued CFD No. 2025-1 Bonds"** means all Outstanding CFD No. 2025-1 Bonds that have been issued by CFD No. 2025-1 prior to the date of prepayment.

**1. Prepayment in Full**

The Facilities Special Tax obligation of an Assessor's Parcel of Developed Property, Taxable Property Owner's Association Property, Taxable Public Property, Final Map Property, or Undeveloped Property for which a Building Permit has been issued, may be prepaid and permanently satisfied as described herein; provided that there are no delinquent installments of the Facilities Special Tax with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 45 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to the next occurring date that notice of redemption of Outstanding CFD No. 2025-1 Bonds, if any. Proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. If a prepayment is made prior to the issuance of CFD No. 2025-1 Bonds, the Redemption Premium, Interest Amount, Reserve Fund Credit and Capitalized Interest Credit as calculated below, shall be zero. The CFD Administrator may charge the property owner requesting a prepayment calculation a fee for providing this service.

The Facilities Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
Plus	Future Facilities Amount
plus	Redemption Premium
plus	Interest Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
<u>less</u>	<u>Capitalized Interest Credit</u>
Total: equals	Facilities Special Tax Prepayment Amount

As of the proposed date of prepayment, the Facilities Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

**Step Number:**

1. Confirm that no Facilities Special Tax delinquency apply to such Assessor's Parcel, and if delinquencies are applicable compute all amounts due, including interest and penalties.
2. For Assessor's Parcels of Developed Property compute and select the greater of the Assigned Facilities Special Tax and Backup Facilities Special Tax. For Assessor's Parcels of Final Map Property and Undeveloped Property, compute and select the greater of the Assigned Facilities Special Tax and Backup Facilities Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permits issued for that Assessor's Parcel. For

Assessor's Parcels of Taxable Property Owner's Association Property and Taxable Public Property, calculate and select the Maximum Facilities Special Tax.

3. Divide the amount computed pursuant to Step 2 by the total estimated Maximum Facilities Special Tax for CFD No. 2025-1 for all property in CFD No. 2025-1 which could be charged in the current Fiscal Year on all expected development through Buildout of CFD No. 2025-1 (the "*Maximum Facilities Special Tax Percentage*").
4. Multiply the Maximum Facilities Special Tax Percentage by the Outstanding CFD No. 2025-1 Bonds to compute the principal amount of Outstanding CFD No. 2025-1 Bonds to be redeemed (the "*Bond Redemption Amount*").
5. Compute the Future Facilities Costs.
6. Multiply the Maximum Facilities Special Tax Percentage by the total Future Facilities Costs to compute the Future Facilities amount to be prepaid (the "*Future Facilities Amount*").
7. Multiply the Bond Redemption Amount computed pursuant to Step 4 by the applicable redemption premium, if any, on the Outstanding CFD No. 2025-1 Bonds to be redeemed (the "*Redemption Premium*") determined by reference to the Indenture.
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding CFD No. 2025-1 Bonds (the "*Interest Amount*").
9. Verify the administrative fees and expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding CFD No. 2025-1 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "*Administrative Fees and Expenses*").
10. If reserve funds for the Outstanding CFD No. 2025-1 Bonds held under the Indenture, if any, are at or above 100% of the then reserve requirement (as required by the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve requirement for the Outstanding CFD No. 2025-1 Bonds to be redeemed pursuant to the prepayment (the "*Reserve Fund Credit*"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the applicable reserve requirement on the prepayment date or if the Reserve Fund is satisfied by a credit instrument rather than cash funded.
11. If any capitalized interest for the Outstanding CFD No. 2025-1 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 Maximum Facilities Special Tax Percentage by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "*Capitalized Interest Credit*").
12. The Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 4, 6, 7, 8 and 9 less the amount computed pursuant to Steps 10 and 11 (the "*Prepayment Amount*").

13. From the Prepayment Amount, the amounts computed pursuant to Step 6 shall be used by the City to pay for Future Facilities Costs. The amounts computed pursuant to Steps 4, 6, 7 and 8 shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding CFD No. 2025-1 Bonds or make Debt Service payments. The amount computed pursuant to Step 9 shall be retained by the City for the payment of Administrative Fees and Expenses.

The Facilities Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Outstanding CFD No. 2025-1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Outstanding CFD No. 2025-1 Bonds or to make Debt Service payments.

Current year Facilities Special Taxes that are not yet paid will remain outstanding and will be collected in the manner billed. With respect to any Assessor's Parcel that is prepaid, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Facilities Special Tax and the obligation of such Assessor's Parcel satisfied.

Notwithstanding the foregoing, no prepayment will be allowed unless the Maximum Facilities Special Tax 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 CFD No. 2025-1 Bonds plus annual Administrative Expenses, as reasonably estimated by the CFD Administrator.

## **2. Prepayment in Part**

The Facilities Special Tax may be partially prepaid, provided that a partial prepayment may be made only after all authorized CFD No. 2025-1 Bonds have been issued and only for Assessor's Parcels of Developed Property, Final Map Property, Taxable Public Property and Undeveloped Property for which a Building Permit has been issued and only if there are no delinquent Facilities Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. The amount of the prepayment shall be calculated as in Section J.1; except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = P_E \times F.$$

These terms have the following meaning:

PP = the partial prepayment

$P_E$  = the Facilities Special Tax Prepayment Amount calculated according to Section J.1

F = the percentage of the Facilities Special Tax Prepayment Amount calculated according to Section J.1 to be prepaid

The Facilities Special Tax partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Facilities Special Tax and the percentage by which the Facilities Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a

statement of the amount required for the partial prepayment of the Facilities Special Tax for an Assessor's Parcel within 45 days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the prepayment funds remitted according to Section J.1, and (ii) indicate in the records of CFD No. 2025-1 that there has been a partial prepayment of the Facilities Special Tax and that a portion of the Facilities Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Facilities Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section E.

**K      PREPAYMENT OF SERVICES SPECIAL TAX**

The Services Special Tax may not be prepaid.

**L.      TERM**

The Facilities Special Tax shall be levied and collected as needed to fund the Annual Facilities Special Tax Requirement through the Fiscal Year immediately prior to the Transition Year. In any event no Facilities Special Tax shall be levied for CFD. No. 2025-1 after the 2060/61 Fiscal Year, which shall be the last Fiscal Year in which the Transition Event may occur.

The Services Special Tax shall be levied and collected in perpetuity to fund the Annual Services Special Tax Requirement.



## EXHIBIT B

### DESCRIPTION OF AUTHORIZED FACILITIES AND SERVICES

#### CITY OF MANTECA COMMUNITY FACILITIES DISTRICT NO. 2025-1 (INDELICATO FACILITIES AND SERVICES)

##### **Authorized Facilities**

The Facilities shown below are authorized to be financed by the City of Manteca Community Facilities District No. 2025-1 (Indelicato Facilities and Services) (the “CFD”):

##### **Roadway and Transportation Improvements**

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

Eligible roadway improvements include, but are not limited to:

- Airport Way

##### **Water System and Irrigation Improvements**

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

##### **Recycled Water System Improvements**

Authorized facilities include any and all on-site and off-site recycled water system facilities designed to meet the needs of development within the CFD. Eligible costs of these facilities

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

### **Drainage System Improvements**

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

### **Wastewater System Improvements**

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

### **Other**

Any other facilities serving substantially the same purpose as the above described facilities.

Any other facilities permitted under the Mello-Roos Community Facilities Act of 1982, including the facilities described in Section 53313.5 of the California Government Code, as amended from time to time, provided that such facilities satisfy at least one of the following criteria: 1) augment, improve or expand existing CFD facilities that are primarily for the benefit of the CFD, or 2) repair or rehabilitate existing CFD facilities.

The foregoing description of the type of Facilities eligible to be financed is general in nature and includes any appurtenant work and incidental expenses related to the Facilities. The final nature and location of the facilities will be determined upon the preparation of final plans and specifications for such facilities.

### **Authorized Services**

The authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities

authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD.

### **Incidental Expenses**

Also included as authorized expenditures for the CFD are: (1) CFD bond-related fees and costs, including but not limited to fees of the City, underwriters/placement agents, financial advisors, appraisals, reserve fund balance, capitalized interest, bond counsel, disclosure counsel, special tax consultant, bond and official statement printing and all other incidental expenses; and (2) CFD administrative fees, including fees of the City, the bond trustee/fiscal agent, and the special tax consultant, related to the CFD and any CFD bonds.

EXHIBIT C

FORM OF  
NOTICE OF PUBLIC HEARING

NOTICE is hereby given that on **Tuesday, September 2, 2025**, at **6:00 p.m.**, or as soon thereafter as the matter may be heard, the City Council of the City of Manteca will hold a Public Hearing at the **Manteca City Hall, located at 1001 W. Center Street, Manteca, California**, to consider the following:

PROPOSED FORMATION OF CITY OF MANTECA COMMUNITY FACILITIES  
DISTRICT NO. 2025-1 (INDELICATO FACILITIES)

The purpose of this public hearing is: **The City of Manteca is considering the formation of a community facilities district (the “CFD”) under the authority of the Mello-Roos Community Facilities District Act of 1982, as amended, to fund certain public facilities related to new development within the City of Manteca.**

This Notice contains a brief summary of the proposal, but you are referred to the City Council's resolution “A Resolution of Intention of the City Council of the City of Manteca to Form Community Facilities District No. 2025-1 (Indelicato Facilities and Services) and to Levy Special Taxes Therein to Finance the Acquisition and Construction of Certain Public Facilities and Finance Public Services in and for Such Community Facilities District” adopted \_\_\_\_\_, 2025 and its resolution “A Resolution of the City Council of the City of Manteca, State of California, Declaring Its Intention to Incur a Bonded Indebtedness in and for City of Manteca Community Facilities District No. 2025-1 (Indelicato Facilities and Services) in an amount not to exceed \$7,000,000 to Finance the Acquisition and Construction of Certain Public Facilities” adopted July 30, 2025 for the definitive description of the proposal.

The proposal is to subject the property within the CFD to a special tax which will be used to pay for facilities and services of benefit to land within the CFD, including paying principal and interest on bonds used to construct and acquire facilities, and will expire when the bonds are retired and all eligible facilities are financed. The proceeds of the bonds will be used to pay for the facilities and other expenses set forth in the resolutions referred to in the preceding paragraph. A map showing the land proposed to be included in the CFD is on file with the City Clerk.

As set forth above, the City Council will hold a public hearing on the establishment of the CFD, the extent of the facilities and services to be financed by the CFD and the levy of the special tax within the CFD.

The proposal also includes authority to issue bonds and other debt (as defined in the Act) in a maximum principal amount of \$7,000,000, to be repaid by the special tax as described in the resolutions. Neither the City of Manteca nor any person outside of the CFD has any liability for the special tax or the bonds. The security for the bonds is limited to the property subject to the special tax within the CFD.

In order to confer the authority upon the Manteca City Council to levy the special tax and to issue the bonds, a public hearing must be held on the proposal, then the City Council will decide whether to form the CFD, and finally the qualified electors within CFD must approve the proposal by a two-thirds vote. Where land within the CFD is uninhabited (as is the case here) the qualified electors are, pursuant to law, the owners of property within the CFD.

The land in the CFD is undeveloped and voting will be by the owners of land in the CFD. If written protests against the proposed CFD are delivered to the City Council at or before the time set for the hearing by either registered voters residing within, or the owners of property within, the proposed CFD, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the CFD or by the owners of a majority of the land area within the CFD which is or will be subject to the special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the proposed CFD to be eliminated from immediate consideration, and prevent its being included in a subsequent proceedings for at least one year.

The City of Manteca encourages interested parties to attend public meetings and comment on the issues being discussed. If you wish to provide testimony and are unable to attend the meeting, written comments that are delivered to the City Clerk's office prior to the time of the hearing will be made a part of the public record. Questions regarding this matter should be directed to the **City of Manteca Finance Department at (209) 456-8730.**

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#### **NOTICE REGARDING CHALLENGES TO DECISIONS**

Pursuant to all applicable laws and regulations, including without limitation, California Government Code Section 65009 and/or California Public Resources Code Section 21177, if you wish to challenge in court any of the above decisions (regarding planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the city at, or prior to, this public hearing.

#### **ADA COMPLIANCE STATEMENT**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Department at (209) 456-8000. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

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