



DEPARTMENT OF PUBLIC WORKS

DEVELOPMENT SERVICES

CITY OF SACRAMENTO
CALIFORNIA

SPECIAL DISTRICTS
1231 I Street
SACRAMENTO, CA 95814

PH 916-264-7113 FAX 916-264-7480

January 7, 2002

City Council Sacramento, California

Honorable Members in Session:

A) adopted CC 2002-024

PASSED FOR PUBLICATION

TO 02-19-2007 - 5

SUBJECT: NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT

(CFD) NO. 2001-03, ELECTION RESULTS AND ORDINANCE TO LEVY A

**SPECIAL TAX** 

#### LOCATION AND COUNCIL DISTRICT:

The North Natomas Regency Park CFD No. 2001-03 is located east of North Natomas Boulevard and north of Club Center Drive in Council District 1 (see attached map, Exhibit A).

#### RECOMMENDATION:

This report recommends that City Council adopt a resolution determining the results of the Special Election and that the Ordinance levying a special tax be passed for publication of title and continued to February 19, 2002 (see Exhibit B).

**CONTACT PERSON:** 

Ron Wicky, Special Districts Analyst, 264-5628

FOR COUNCIL MEETING:

January 22, 2002

#### **SUMMARY:**

The proposed North Natomas Regency Park CFD has completed the Resolution of Intention, public hearing and election phases of the formation proceedings. This Council report and resolution completes the formation process by reciting the results of the Special Election. The item is also presented at this time for approval of publication of title, pursuant to City Charter Article III, Section 32.



City Council
North Natomas Regency Park Community Facilities District (CFD)
January 7, 2002

#### **COMMITTEE/COMMISSION ACTION:**

None.

#### **BACKGROUND INFORMATION:**

North Natomas Community Facilities District No. 2001-03 (CFD) consists of approximately 465 acres of proposed mixed-use residential and limited commercial property. The CFD is bounded by Elkhorn Boulevard on the North, Club Center Drive on the South, North Natomas Boulevard on the West and the city limits on the East. This encompasses the entire area of the approved tentative map entitled, "Northpointe North".

The District will fund a number of Primary Facilities and potentially, certain specified Secondary Facilities. Primary Facilities include the construction of a Drainage Detention Basin, a conveyance system, pump station, canal crossing and all necessary appurtenances as identified in the North Natomas Comprehensive Drainage Plan. Funding will also include the land acquisition cost and HCP fees paid for the detention basin.

Secondary Facilities include the construction of trunk drain lines, various roadways, sanitary sewer lines, water transmission lines and various landscaping improvements. Funding for Secondary facilities will only be authorized with remaining bond proceeds after all Primary Facilities have been constructed, paid for and accepted by the City.

With adoption of the attached resolution, Council will finalize the formation process for this district.

In reference to the proposed ordinance, the City Council must first pass the item for publication in a local newspaper to meet legal advertising requirements. The City Clerk then transmits the title of the item to the paper for publication and for advertising the meeting date.

#### FINANCIAL CONSIDERATIONS:

All improvements for this CFD are funded through bond proceeds. There will be no impact to the General Fund. The CFD will authorize approximately \$20 million of bonds to be sold that will be paid back in a 20-year period by property owners within the district.

City Council North Natomas Regency Park Community Facilities District (CFD) January 7, 2002

#### **ENVIRONMENTAL CONSIDERATIONS:**

The City Council's action in approving this Resolution to form a CFD is solely for the purpose of establishing a financing mechanism and is therefore, not a project for purposes of the California Environmental Quality Act.

#### **POLICY CONSIDERATIONS:**

The procedures under which this district is being formed are set forth in Title 5 of the Government Code, Sections 53311-53317.5 entitled "The Mello-Roos Community Facilities Act of 1982."

#### Continuing Disclosure

New Securities and Exchange Commission Rule 15c2-12(b)(5) created a requirement that certain third parties other than the City would provide ongoing disclosure of specified categories of information, in an effort to protect the secondary bond market. A continuing disclosure certificate may be required by certain third party landowners. This requirement will be resolved prior to bond issuance.

#### **ESBD CONSIDERATIONS:**

None. No goods or services are being purchased.

Respectfully submitted

Gary Alm/Manager Development Services

RECOMMENDATION APPROVED:

Approved:

ROBERT P. THOMAS

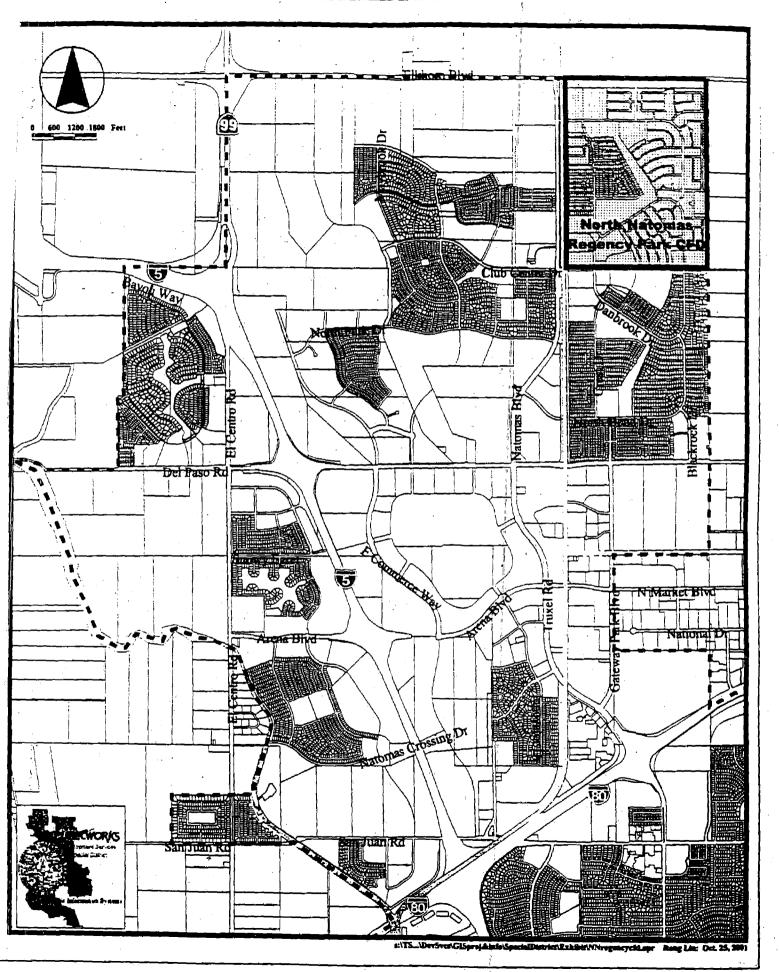
City Manager

Michael Kashiwagi

Director of Public Works

SATS Wrk Grp Docs/Spec Dists/PROJECTS/CFD/NN Regency Park/CCR-Elec Results-Ordinance.doc

### **EXHIBIT A**



#### **EXHIBIT B**

#### Schedule for North Natomas Regency Park CFD No. 2001-03

November 13, 2001

City Council - District Initiation

Set Hearing Date

December 18, 2001

City Council - Public Hearing

Formation of District. Call for Special Election

January 22, 2002

City Council Action

**Declare Election Results** 

Pass for Publication - Ordinance to Levy Special Tax

February 19, 2002

City Council Action

Ordinance to Levy Special Tax

Authorize Sale of Bonds

## RESOLUTION NO. 2002-024

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF	į



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO DETERMINING THE RESULT OF THE SPECIAL ELECTION HELD IN THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03, ON JANUARY 22, 2002

WHEREAS, the City Clerk of the City of Sacramento has duly canvassed the votes cast in the City of Sacramento Granite Park Community Facilities District No. 2001-03 (the "Community Facilities District") at the special mailed-ballot election held in the Community Facilities District on January 22, 2002, by the qualified electors of the Community Facilities District upon the proposition hereinafter set forth, and has certified to this City Council the result of the votes cast at such special mailed-ballot election upon said proposition, which said certification is now on file in the office of the City Clerk of the City of Sacramento;

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

- Section 1. All of the above recitals are true and correct, and the City Council so finds and determines.
- Section 2. The canvass of the votes cast in the Community Facilities District at the special mailed-ballot election held in the Community Facilities District on January 22, 2002, as shown by said certification, is hereby approved and confirmed.
- Section 3. At such special mailed-ballot election in the Community Facilities District the following proposition was submitted to the qualified voters of the Community Facilities District and the number of votes cast in the Community Facilities District for and against such proposition, as set forth in said canvass, is as follows:
  - MEASURE (A): Shall the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District") be authorized to finance the acquisition and construction of those certain primary and secondary public facilities generally constituting detention basin; pump station and pipes;

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	RESOLUTION NO.:
	DATE ADOPTED:

bridge, culverts and concrete headwalls required for roadway and pedestrian crossings; drainage channel improvements; trunk drain pipes; habitat conservation fees; dewatering and measures to control groundwater; roads; sanitary sewer trunk and interceptor lines; water transmission lines; landscaping and soundwalls, public dry utilities; engineering, construction staking, construction management and related costs; together with authorized development fees related to public improvements in the Community Facilities District, by incurring a bonded indebtedness in the principal amount of twenty million dollars (\$20,000,000), and shall an appropriations limit in the amount of three million dollars (\$3,000,000) per fiscal year in connection therewith be established for the Community Facilities District, and shall a special tax with a maximum rate and method of apportionment as provided in Resolution No. 2001-850 adopted by the Council of the City of Sacramento on December 18, 2001, which is incorporated herein by reference, be levied to pay for the acquisition and construction of such public facilities, including the payment of principal of and interest on such bonds and including the repayment of funds advanced for the Community Facilities District?

Section 4. The total number of votes cast in the Community Facilities District at such special mailed-ballot election for and against such proposition was and is set forth in said canvass.

Section 5. More than two-thirds (2/3) of all the votes cast at such special mailed-ballot election was cast in favor of such proposition, and such proposition carried, and the Community Facilities District has been duly organized and is duly authorized to finance the public facilities set forth in said proposition and to incur the bonded indebtedness set forth in said proposition and to levy the special tax set forth in said proposition.

Section 6. The City Clerk of the City of Sacramento is hereby directed to enter this resolution on the minutes of this City Council, which shall constitute the official declaration of the result of such special mailed-ballot election, and is hereby further authorized and directed to record a notice of special tax lien in accordance with the provisions of Section 3114.5 of the Streets and Highways Code of the State of California.

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RESOLUTION NO.:
DATE ADOPTED:

PASSED AND ADOPTED by 22nd day of January, 2002, by the following v	the City Council of the City of Sacramento this vote:
AYES:	( - -
NOES:	
ABSENT:	
A	APPROVED:
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ATTEST:	Mayor of the City of Sacramento
City Clerk of City of Sacramento	<u> </u>
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FOR CITY (	CLERK USE ONLY
	RESOLUTION NO.:
•	DATE ADOPTED:

ORDINANCE NO	·
ADOPTED BY THE SACRAI	MENTO CITY COUNCIL
ON DATE OF	

AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF SACRAMENTO LEVYING A SPECIAL TAX
FOR THE FISCAL YEAR 2002-2003 AND FOLLOWING
FISCAL YEARS SOLELY WITHIN AND RELATING TO
THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

## BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- 1. Pursuant to Government Code Sections 53328 and 53340, and in accordance with the Rate and Method of Apportionment of Special Tax as shown in Exhibit A to the Resolution Establishing the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (Resolution No. 2001-850 adopted by the Council on December 18, 2001) (the "Resolution"), a special tax is hereby levied on all taxable parcels within the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, for the 2002-2003 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized tax. This amount may be adjusted annually, subject to the maximum authorized special tax limit, by resolution of the Council.
- 2. The Special Districts Analyst, Special Districts, Department of Public Works of the City of Sacramento (the "City"), is authorized and directed, with the aid of the appropriate officers and agents of the City, to determine each year, without further action of the Council, the Special Tax Requirement (as that term is defined in Exhibit A of the Resolution), to prepare the annual special tax roll in the amount of the Special Tax Requirement in accordance with said Exhibit A and, without further action of the Council, to provide all necessary and appropriate information to the Sacramento County Auditor in proper form, and in proper time, necessary to effect the correct and timely billing and collection of the special tax on the secured property tax roll of the County; provided, that as provided in the Resolution and Section 53340 of the California Government Code, the Council has reserved the right to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of

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DATE ADOPTED:	

the City, including but not limited to, direct billing by the City to the property owners and supplemental billing.

- 3. The appropriate officers and agents of the City are authorized to make adjustments to the special tax roll prior to the final posting of the special taxes to the county tax roll each fiscal year, as may be necessary to achieve a correct match of the special tax levy with the assessor's parcel numbers finally utilized by the County in sending out property tax bills.
- 4. The City agrees that, in the event the special tax is collected on the secured tax roll of the County, the County may deduct its reasonable and agreed charges for collecting the special tax from the amounts collected, prior to remitting the special tax collections to the City.
- 5. Taxpayers who have requested changes or corrections of the special tax pursuant to Section J of the Rate and Method of Apportionment of Special Tax and who are not satisfied with the decision of the Special Districts Analyst (whether the Special Districts Analyst simply disagrees with the taxpayer or feels the Department of Public Works is not authorized to consider the change requested) may appeal to the Council. The appeal must be in writing and fully explain the grounds of appeal, and must be based solely on the correction of mistakes in the levy based upon the status of the property, and no other appeals will be allowed. The Special Districts Analyst shall schedule the appeal for consideration within a reasonable time at a Council meeting.
- 6. If for any cause any portion of this ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this ordinance, and the application of the special tax to the remaining parcels, shall not be affected.
  - 7. This ordinance shall take effect and be in force immediately as a tax measure.

newspaper of general circulation published in the City of Sacramento, after being passed for publication of Title by the Council, at least three days before the adoption of this Ordinance by
publication of Title by the Council at least three days before the adoption of this Ordinance by
publication of file by the country, at least times days serve the adoption of this ordinance by
the Council, pursuant to Section 32(c) of the Sacramento City Charter. It is hereby found that
the Title of this Ordinance was published in, a newspaper of
general circulation published in the City of Sacramento on, 2002.

FOR CITY CLERK USE ONLY	4

ORDINANCE NO.:

DATE ADOPTED:	
DATE ADOLICO	

This Ordinance was PASSED FOR PUBLICATION by the City Council of the City of Sacramento, County of Sacramento, State of California, on the 22nd day of January,		
2002; and PASSED AND A	ADOPTED by said Council the	nis, 2002.
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	_	MAYOR
ATTEST:		
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		DATE ADODTED.

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## CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

**CFD REPORT** 

**December 5, 2001** 

Prepared By:

GOODWIN CONSULTING GROUP, INC. 701 University Avenue, Suite 225 Sacramento, California 95825 (916) 561-0890

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Exhibit A: Detailed Facility Cost Estimates for Primary Facilities

Exhibit B: Rate and Method of Apportionment of Special Tax

#### A. North Natomas Community Plan and Financing Plan

The North Natomas Community Plan was adopted by the Sacramento City Council in May 1994 (Resolution No. 94-259) and amended by the Council in April 1996 (Resolution No. 96-156). The Plan set forth a vision for development of more than 9,000 acres of land, including almost 7,500 acres within the City of Sacramento and 1,600 acres in unincorporated Sacramento County. North Natomas is designated as the City's major growth area for new housing and employment opportunities. At full buildout, the Community Plan contemplates development of more than 33,000 residential dwelling units and almost 2,200 acres of commercial and industrial property. Of this total, almost 30,000 of the residential units and 1,600 acres of commercial and industrial property will be constructed on land within the current City boundaries.

The North Natomas Financing Plan was adopted by the City Council in August 1994 (Resolution No. 95-495 and amended by the City Council in August 1999 (Resolution No. 99-471). The Financing Plan sets forth a strategy to ensure that public facilities required to serve land uses anticipated by the Community Plan will be funded in a timely and equitable manner. The total cost of infrastructure required to serve the Community Plan area is estimated to be \$923 million in 1999 dollars. Of this total, \$526 million is expected to be generated directly from development in North Natomas, and the remaining \$397 million will be funded from regional, state and federal sources.

The Financing Plan sets forth three sources of funding for public facility costs assigned directly to North Natomas—North Natomas Development Impact Fees, the North Natomas Land Acquisition Program, and North Natomas Mello-Roos Community Facilities Districts (CFD). Development Impact Fees will be used to pay for facilities that will either be funded on a pay-as-you-go basis or be funded up-front by one or more developers who will be reimbursed from fee credits and/or future fee revenues collected within North Natomas. The storm drainage fees authorized to be collected within North Natomas fund drainage improvements and land acquisition specific to each drainage basin in North Natomas. As such, the fees vary by drainage basin and land use. The storm drainage fee does not include the area-wide components of the Comprehensive Drainage Plan prepared for the Community Plan area, which will be funded by Mello-Roos Community Facilities Districts. There are twelve drainage basins within the Finance Plan area; developers within each basin are required to develop a financing plan for drainage improvements before development can occur within the basin.

#### B. The Mello-Roos Community Facilities Act of 1982

As stated in Section I.A. above, the North Natomas Financing Plan requires that a separate financing plan be prepared for each drainage basin prior to the commencement of development within the basin. To date, the Mello-Roos Community Facilities Act of 1982 (the "Act") has been used to fund area-wide drainage improvements, as well as to fund improvements specific to certain drainage basins. The Act provides flexibility as to the facilities that can be funded and the manner in which annual funding burdens are allocated to various types of land use. There is no benefit finding required; the Act states that special taxes can be allocated in any "reasonable manner". The Act permits a city, county or special district to form a "Community Facilities District" ("CFD") within its jurisdiction and, with a two-thirds vote within the CFD, impose special taxes to pay for public improvements and services needed to serve the area.

A CFD may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property with an estimated useful life of five (5) years or longer, which is needed to meet increased demands placed upon local agencies as a result of development occurring within the CFD. A CFD may also finance the costs of planning, design, engineering, legal assistance and other consultants involved in the construction of improvements or formation of the CFD. The facilities financed by the CFD do not have to be physically located within the CFD.

#### C. Mello-Roos Financing of North Natomas Drainage Improvments

To date, four CFDs have been formed to fund drainage improvements within North Natomas. North Natomas Drainage CFD No. 97-01 includes almost all of the property within the Financing Plan area, including the property that is included within CFD No. 2001-03, which is the subject of this CFD Report. CFD No. 97-01 was formed to provide funding for approximately \$27.8 million of area-wide drainage improvements, including levee construction, pumping plants, channel improvements, land acquisition, design, engineering and administration. The first phase of construction of these improvements was required before development within North Natomas was allowed to commence. These area-wide facilities are now operated by Reclamation District 1000. CFD No. 97-01 is also authorized to fund the initial acquisition of approximately 400 acres for the Natomas Basin Habitat Conservation Plan, which will provide mitigation for the loss of giant garter snake and Swainson's hawk habitat.

In addition to CFD No. 97-01, three CFDs have been formed to fund drainage improvements specific to certain drainage basins. CFD No. 2 will generate almost \$20 million for backbone drainage facilities required for development of property within drainage basin sheds 5 and 6. CFD No. 4 will provide funding for approximately \$54 million of drainage improvements for drainage basin shed areas 1, 2 and 4, as well as road, sewer, water and park facilities required to serve the property within the CFD. CFD No. 99-04 will fund up to \$12.5 million of drainage improvements and habitat conservation fees for property within drainage basin 8C.

#### D. Purpose of CFD Report

This CFD Report is submitted pursuant to Section 53321.5 of the Mello-Roos Community Facilities Act of 1982, as well as the direction set forth in the first resolution adopted by the Sacramento City Council in the process of forming CFD No. 2001-03. The law requires only a brief description of the public facilities to be funded by the CFD, as well as an estimate of the cost of providing the facilities. However, this report will also provide information regarding the special taxes to be levied and collected in the CFD, the boundaries of the district and anticipated bond sales.

#### A. Project Description

The Regency Park project, formerly known as Northpointe North, is proposed for development on the 462 acres bounded by Elkhorn Boulevard on the north, Club Center Drive on the south, Natomas Boulevard on the west and the City of Sacramento boundary on the east. Approximately 1,660 single family detached residential units are proposed, as well as almost 40 acres of medium density and 22 acres of high density residential development. Almost 50 acres within the project will be developed as active park land, with another 28 acres of open space. As of November 1, 2001, Regency Park had obtained zoning, tentative subdivision map approval, general plan consistency, a development agreement and related entitlements needed to develop the residential villages within the project.

#### B. Improvements Required to Serve Project

A variety of public improvements will be needed to serve development within Regency Park. Public financing and developer equity will be combined to ensure that funding is available for public infrastructure on a timely basis. Per City policy, public facilities that are eligible for financing pursuant to the Mello-Roos Act of 1982 are classified into two groups: "Primary Facilities" are those improvements that will have priority in the application of construction proceeds generated from a Mello-Roos Community Facilities District (CFD). If all Primary Facilities have been funded, constructed, and accepted by the City, or if sufficient security exists to the satisfaction of the City in accordance with the Acquisition Agreement for a particular project for completion of the facilities, any remaining bonding capacity available through a CFD can be applied to fund "Secondary Facilities".

Secondary Facilities include improvements that are scheduled to be funded through development fee programs such as the Public Facilities Fee Program (PFF) and the citywide Park Fee Program through which the property owners constructing the facilities will receive full reimbursement by way of development fee credits and/or cash reimbursements for the actual eligible costs of construction. If the cost of a particular facility is funded through development fee credits or cash reimbursement from a development fee program, no additional reimbursement will be provided from CFD bond proceeds. Procedures associated with the funding of Primary and Secondary Facilities, including the application of excess bonding capacity, assignment of fee credits, and opportunities for reimbursement have been codified in a memorandum of understanding between Lennar Communities and the City of Sacramento that was executed by both parties in October 2000.

The Primary and Secondary Facilities authorized to be funded by CFD No. 2001-03 are described in Section III of this report. Detailed cost estimates for those Primary Facilities that will receive priority funding from CFD bond proceeds are provided in Appendix A.

#### C. Boundaries of the CFD

On November 13, 2001, the Sacramento City Council adopted a Resolution Declaring its Intention to Establish the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (Resolution #2001-741) and a Resolution of Intention to Incur Bonded Indebtedness (Resolution #2001-742). A map identifying the boundaries of the CFD, which includes the Regency Park project in its entirety, was recorded in the Sacramento Recorder's Office in Book 94 of Maps of Assessment and Community Facilities Districts at Page 27.

On December 18, 2001, the City Council will hold a public hearing and, on January 22, 2001, the Council will conduct an election associated with formation of the CFD. If at least two-thirds of the votes submitted by the landowners are in favor of the CFD, the CFD will be formed and the levy of a special tax will be authorized. The CFD will also be authorized to issue up to \$20 million in bonds to fund the construction or acquisition of public facilities identified in Section III below.

#### D. CFD Bond Issues

The public facilities described in Section III of this report will be funded through the issuance of one series of bonds, which is expected to occur in March 2001. The improvements will be completed as soon as possible after construction proceeds become available; therefore, no additional bond sales are expected. The bonds are anticipated to have a 25-year term and an annual debt service that escalates two percent per year. The bonds are land-secured, which means the ultimate security for repayment of the bonds is the land within the CFD. As such, the City has covenanted in the bond indenture that, in the event of special tax delinquencies within the CFD, the City will commence an accelerated foreclosure process against the delinquent parcel or parcels.

There is no guarantee that CFD No. 2001-03 will be able to sell sufficient bonds to fully fund all of the improvements authorized to be funded be the CFD. The ability of the CFD to sell bonds is limited by the maximum special tax rate and value-to-lien ratio (both discussed further below). Also, the bond authorization and maximum special tax rates are based in part on cost estimates for specific projects. If the cost estimates prove to be too low, the CFD may not be able to fund all of the improvements. The developers of Regency Park have committed, through execution of an Acquisition and Shortfall Agreement, to remedy any shortfall in construction proceeds that may occur once the bonding capacity from CFD No. 2001-03 has been applied to the cost of improvements being funded by the CFD.

#### E. Special Tax Structure

The Rate and Method of Apportionment of Special Tax ("RMA") for CFD No. 2001-03, which describes in detail how the Mello-Roos special tax will be allocated among properties in the CFD, is included as Appendix B of this report. Capitalized terms used in this Section II.E. are defined in the RMA. Pursuant to the RMA, a special tax will be levied and

collected each year from parcels within the CFD to pay debt service on outstanding bonds and administrative expenses of the CFD. The RMA sets forth the following maximum special tax rates: \$649 per lot for Single Family Residential Property with an average lot size greater than or equal to 4,500 square feet, \$487 per lot for Single Family Residential Property with an average lot size less than 4,500 square feet, \$3,408 per acre for Medium Density Residential Property, \$4,654 per acre for High Density Residential Property and Other Property, and \$4,900 per acre for Undeveloped Property.

The maximum special tax rates set forth above were calculated assuming that a certain number of residential lots will be built within Regency Park. The development plan anticipated for the project is illustrated in Attachment 1 of the RMA. To the extent changes are proposed to the development plan in future years, Section D of the RMA sets forth procedures that must be followed to determine if such changes would have a detrimental effect on special tax revenues that can be generated within the CFD. To the extent a reduction in revenues is anticipated due to a proposed change to the land use plan, a mandatory prepayment of special taxes is required before a final map is approved reflecting the revised land uses. The prepayment will be used to call bonds and maintain the debt service coverage required pursuant to the bond indenture.

As explained in Section E of the RMA, the special tax will be levied each fiscal year in an amount determined to be needed to pay debt service on the bonds, CFD administrative expenses, replenishment of the bond reserve fund, and other current expenses of the CFD (collectively, "the Special Tax Requirement"). Once the Special Tax Requirement has been determined for a particular fiscal year, the special tax will be levied according to the following order of priority:

- (1) First, the special tax will be levied on all parcels of "Developed Property", which is defined in the RMA as: (i) parcels of Single Family Residential Property for which a final map was recorded prior to January 1 of the prior fiscal year, (ii) parcels of Medium Density Residential Property and High Density Residential Property for which a building permit was issued for construction of a residential structure prior to January 1 of the prior fiscal year, (iii) all parcels of Other Property for which a building permit was issued prior to January 1 of the prior fiscal year for construction of a structure on the parcel.
- (2) After applying revenues from (1) above, and after applying capitalized interest that was set aside from the bond issue, a special tax will be levied on Undeveloped Property up to the maximum tax rate for such property.
- (3) After applying revenues from (1) and (2) above, if additional revenues are needed to pay the Special Tax Requirement, a special tax will be levied on Association Property (if there is any within the project) up to 100% of the maximum special tax identified for Undeveloped Property in the RMA.

(4) After applying revenues from (1), (2) and (3) above, if additional revenues are needed to pay the Special Tax Requirement, a special tax will be levied on Public Property up to 100% of the maximum special tax identified for Undeveloped Property in the RMA.

The special tax for CFD No. 2001-03 is expected to be collected at the same time and in the same manner as ad valorem property taxes. However, the City reserves the right to collect the taxes in another manner if required to meet annual obligations of the CFD. The special tax will be levied until all bonds have been repaid and all authorized facilities have been funded. However, special taxes cannot be levied under any circumstance after fiscal year 2036-37. The special tax obligation assigned to a particular parcel within the CFD can be prepaid, which will release the parcel making such prepayment from the Mello-Roos special tax lien. Section H of the RMA sets forth a detailed formula by which the prepayment for a parcel can be calculated.

#### F. Compliance with City Policies and Procedures

In June 1993, the City of Sacramento adopted "Policies and Procedures for use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities" (the "Policies"). The Policies were subsequently updated by the adoption of Resolution No. 94-491 in August 1994. All Mello-Roos CFDs formed in the City of Sacramento are required to comply with the Policies, unless compliance is specifically waived by action of the City Council. CFD No. 2001-03 complies with the Policies, including the following:

- The value-to-lien ratio for bonds issued for CFD No. 2001-03 will be at least 3:1 after calculating the value of the financed infrastructure and public facilities to be installed or acquired and considering prior and pending special tax and assessment liens. An appraisal was prepared by an appraiser who is a member of the Appraisal Institute and who worked under contract to the City.
- The projected special tax, when added to the ad valorem property tax and other direct and overlapping debt for CFD No. 2001-03 is not expected to exceed two percent of the projected assessed value of improved parcels within the CFD. Based on the estimated average market value of single family homes in Regency Park, following is an estimate of the total tax rate for a typical unit:

Type of Tax/ Assessment	Maximum Tax or Assessment	Percent of Average Value
Base Property Tax	\$2,400.00/year	1.00%
CFD No. 2001-03	\$ 649.00/year	0.27%
SAFCA AD No. 2	\$ 70.80/year	0.03%
NN CFD No. 97-01	\$ 95.52/year	0.04%
City LLD	\$ 162.00/year	0.07%
Other Est. Levies	\$ 200.00/year	<u>0.08%</u>
Total	\$3,577.32/year	1.42%

- The mandatory prepayment required pursuant to Section E of the RMA will protect against changes in land use that would otherwise result in insufficient annual special tax revenues.
- The maximum special tax rates have been set at a level that will cover annual CFD administrative expenses and will be sufficient to fund most, if not all, costs associated with improvements authorized to be funded by CFD No. 2001-03. To the extent bond proceeds do not cover the full cost of authorized improvements, the landowners will pay for the remaining costs pursuant to the Acquisition and Shortfall Agreement.

The facilities described below are authorized to be financed by CFD No. 2001-03 and are required to adequately meet the needs of the Regency Park project. A detailed breakdown of the cost estimate for public improvements expected to be funded by the CFD is provided in Appendix A of this report.

#### A. Authorized Facilities

CFD No. 2001-03 is authorized to fund the following Primary and Secondary Facilities, which are not listed in order of priority except that funding must be provided for the construction or acquisition of all Primary Facilities before CFD bond proceeds can be used for Secondary Facilities.

#### 1. Primary Facilities Eligible for Financing by CFD No. 2001-03

Drainage facilities within Basin No. 3, as identified in the North Natomas Comprehensive Drainage Plan and as amended by basin-specific drainage reports, including:

- a. Construction of detention basins, including excavation and landscaping.
- b. Construction of pump station and pipes, including intake, discharge and sitework.
- c. Construction of bridge, culverts and concrete headwalls required for roadway and pedestrian crossings for authorized facilities.
- d. Drainage channel improvements, including excavation and landscaping.
- e. Land acquisition for the detention basins, buffer around the detention basin and drainage channel, including banks.
- f. Trunk drain pipes, including manholes, which are defined as "common" trunk pipelines by the City.
- g. Habitat Conservation (HCP) fees for construction of Primary Facilities.
- h. Dewatering and measures to control groundwater during both construction and operation of the facilities.
- i. Engineering, construction staking, construction management, plan check and inspection, administrative and legal costs for Primary Facilities:

#### 1. Secondary Facilities Eligible for Financing by CFD No. 2001-03

- a. Trunk drain pipes 36" and larger, including manholes, which are not considered "common" trunk pipelines by the City.
- b. Construction of the following roads as named or renamed and other major roads that are eligible for funding under the guidelines set forth in the City's Policies, as they may be amended from time to time: (i) Gateway North Boulevard from the future elementary school to Elkhorn Boulevard, (ii) Club Center Drive from East Drainage Canal to Eastern

property boundary, and (iii) Elkhorn Boulevard from Natomas Boulevard to the Eastern property boundary. Improvements to these roads include clearing, grading, installing asphalt concrete with aggregate base, raised center median, median landscaping where appropriate, storm drainage facilities, street signs, street lights, widening at intersections, corridor landscaping and soundwalls, major utility conduits, utility conduit crossing, right-of-way acquisition, and all necessary appurtenances to these roads.

- c. Construction of sanitary sewer trunk and interceptor lines, including pipes, manholes and all necessary appurtenances.
- d. Water transmission lines and necessary appurtenances.
- e. Neighborhood and community park landscaping, equipment and facilities.
- f. Landscaping and soundwalls in landscape corridors, entry way signs and monuments in entry ways along Club Center Drive, Elkhorn Boulevard and Gateway North Boulevard.
- g. Public dry utilities (electric, telephone, natural gas and CATV)
- h. Habitat Conservation (HCP) fees required for construction of Secondary Facilities.
- i. Engineering, construction staking, construction management, plan check and inspection, administrative and legal costs associated with Secondary Facilities.

#### B. Facility Cost Estimates

The facility cost estimates summarized below were provided by the City of Sacramento Utilities Department and include all associated costs, such as engineering, land acquisition, permits and contingencies. All figures are reflected in 2001 dollars. A detailed breakdown of each cost component making up the total cost is provided in Appendix A of this report.

#### 1. Phase 1 Costs

Cost Item	\$	Cost Estimate
Pump Station		\$2,282,400
Detention Basin	1	5,213,793
Trunk Drainage		994,518
Plan Check & Inspection Fees	1	49,726
Habitat Conservation (HCP) Fees	1	174,140
Land Acquisition		1,588,000
Engineering Fees	7	<u>850,000</u>
Phase 1 Subtotal	; ; ;	\$12,001,648

#### 2. Phase 2 Costs

Cost Item		t <sub>1</sub>	Cost Estimate
Trunk Drainage		*	\$1,963,634
Offsite Detention			230,940
Engineering Fees			219,457
Plan Check & Inspection Fees			<u>98,182</u>
Phase 2 Subtotal			\$2,512,214
Grand Total, Phases 1 and 2	•		<u>\$14,513,862</u>

### APPENDIX A

CITY OF SACRAMENTO
NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

DETAILED FACILITY COST ESTIMATES
FOR PRIMARY FACILITIES

# Table A-1 North Natomas Regency Park Community Facilities District No. 2001-03 Summary of Engineer's Cost Estimates

ITEM			
NO.	DESCRIPTION		TOTAL
	PHASE 1		
1	PUMP STATION		\$2,282,400.00
2	DETENTION BASIN		\$5,213,793.60
3	TRUNK DRAINAGE	,	\$994,518.00
4	PLAN CHECK & INSPECTION FEES		\$49,725.90
5	HCP FEES		\$174,139.90
6	LAND ACQUISITION		\$1,588,000.00
7	ENGINEERING FEES		\$849,071.16
8	D DRAIN (50%)		\$850,000.00
	PHASE 1 SUBTOTAL		\$12,001,648.56
		7	
	PHASE 2		
9	TRUNK DRAINAGE		\$1,963,634.40
10	OFFSITE DETENTION		\$230,940.00
	ENGINEERING FEES		\$219,457.44
12:	PLAN CHECK & INSPECTION FEES		\$98,181.72
	PHASE 2 SUBTOTAL		\$2,512,213.56
:	and the same of th		
•			
	GRAND TOTAL		\$14,513,862.12

Table A-2
North Natomas Regency Park
Community Facilities District No. 2001-03
Breakdown of Pump Station Cost

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
NO.	DEGORIF HON	QUANTITI	ONT	ONIT FRIOL	TOTAL
	PUMP STATION		***		
,		-	]		
11	Smud Conduit	800	LF	\$10.00	\$8,000.00
2	Pac Bell Conduit	800	LF	\$10.00	\$8,000.00
3	Dewatering	1	EA	\$100,000.00	\$100,000.00
- 4	Pump Station	. 1	EA	\$1,786,000.00	\$1,786,000.00
	PUMP STATION SUBTOTAL				\$1,902,000.00
	Contingency 20%	,			\$380,400.00
	PUMP STATION TOTAL				\$2,282,400.00
	6				

## Table A-3 North Natomas Regency Park Community Facilities District No. 2001-03 Breakdown of Detention Basin Cost

ITEM					
NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
	PARKWAY / CHANNEL				
1	Clearing & Grubbing	42.2	Ac.	\$50.00	\$2,110.00
. 2	Excavation Park	199,900	CY	\$1.60	\$319,840.00
3	Excavation Channel	33,200	CY	\$1.60	\$53,120.00
4	12" AB Maintenance Road (Temp.)	45,000	SF	\$0.70	\$31,500.00
5	3"AC/8"AB Access (Outfall Access)	15,000	SF	\$2.20	\$33,000.00
6	Landscape	22.0	Ac.	\$43,560.00	\$958,320.00
7	Overexcavation and Placement	30,000	CY	\$3.50	\$105,000.00
	Above Liner (Basin)				
. 8	Placement of Bentonite Liner	260,000	SF	\$2.50	\$650,000.00
	DETENTION BASIN		-		· · · · · · · · · · · · · · · · · · ·
9	Clearing & Grubbing	8.0	Ac.	\$50.00	\$400.00
10	Excavation Water Quality Basin*	122,400	CY	\$1.60	\$195,840.00
11	Overexcavation and Placement	17,800	CY	\$3.50	\$62,300.00
	Above Liner (Basin)				
12	Placement of Bentonite Liner	160,000	SF	\$2.50	\$400,000.00
13	Contour and Finish Grading Per	6.9	Ac.	\$500.00	\$3,450.00
	L.S. Plans (Tolerance +/- 0.2 ft)				
14	Dewatering	1	JOB	\$10,000.00	\$10,000.00
15	Landscape	5.9	Ac.	\$54,450.00	\$321,255.00
16	Cobble Basin Bottom	45,500	SF	\$1.25	\$56,875.00
	DRAINAGE		. ,	0 0 0	
17	12" Drain	403	LF	\$45.00	\$18,135.00
18	24" Drain	4,276	LF	\$70.00	\$299,320.00
19	33" Drain	310	LF	\$100.00	\$31,000.00
20	36" Drain	377	LF	\$115.00	\$43,355.00
21	42" Drain	245	LĖ	\$120.00	\$29,400.00
22	48" Drain	64	LF	\$135.00	\$8,640.00
23	54" Drain	1,005	LF	\$140.00	\$140,700.00
24	66" Drain	130	LF .	\$250.00	\$32,500.00

Table A-3 North Natomas Regency Park Community Facilities District No. 2001-03 Breakdown of Detention Basin Cost

	<del></del>		<del></del>		
25	72" Drain	200	LF_	\$280.00	\$56,000.00
26	24" Slide Gate w/ Structure	1	EA	\$7,500.00	\$7,500.00
27	Type "B" DI	_4	EA	\$1,500.00	\$6,000.00
28	Saddle Manhole	3	EA	\$4,500.00	\$13,500.00
29	Junction Box	7	EA	\$8,000.00	\$56,000.00
30	Manhole No. 3	7	EA	\$3,500.00	\$24,500.00
31	33" Outfall Structure	11	EA	\$8,250.00	\$8,250.00
32	36" Outfall Structure	3	EA	\$8,500.00	\$25,500.00
33	42" Outfall Structure	1	EA	\$8,500.00	\$8,500.00
34_	48" Outfall Structure	1 •	EA	\$10,000.00	\$10,000.00
35	54" Outfall Structure	_1	EA	\$12,000.00	\$12,000.00
36	42"/54"/54" Outfall Structure	1	EA	\$35,000.00	\$35,000.00
37	Dual 66"/72" Junction box	1	EA	\$50,000.00	\$50,000.00
38	Concrete Headwall Inlet	1	EA	\$25,000.00	\$25,000.00
	Structure (Dual 66")			<u>.                                    </u>	
39	Erosion Control Pipe Discharge	1	EA	\$30,000.00	\$30,000.00
	Structure (Dual 72")	• .			
40	12' Concrete Access Ramp	2	EA	\$15,000.00	\$30,000.00
41	12' Boat Ramp	1	EA	\$10,000.00	\$1,0,000,00
42	12' Maint, Road (3"AC/8"AB)	27690	SF	\$2.20	\$60,918.00
43	Dewatering	7,010	LF	\$10.00	\$70,100.00
	PARKWAY / CHANNEL			3	\$4,344,828.00
	DETENTION BASIN SUBTOTAL				
	Contingency 20%		:		\$868,965.60
	PARKWAY / CHANNEL			·	\$5,213,793.60
	DETENTION BASIN TOTAL				
				<u> </u>	
	Actual			1	

Table A-4
North Natomas Regency Park
Community Facilities District No. 2001-03
Breakdown of Trunk Costs

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
	DRAINAGE				
-1	24" Drain	515	LF	\$70.00	\$36,050.00
2	30" Drain	525	LF	\$85.00	\$44,625.00
4	36" Drain	905	LF	\$115.00	\$104,075.00
5	42" Drain	655	LF	\$120.00	\$78,600.00
6	48" Drain	355	LF	\$135.00	\$47,925.00
7	54" Drain	1,090	LF	\$140.00	\$152,600.00
8	Saddle Manhole	10	EA	\$4,500.00	\$45,000.00
9	Junction Box	16	EA	\$8,000.00	\$128,000.00
10	Manhole No. 3	3	EA	\$3,500.00	\$10,500.00
11	Manhole No. 4	30	EA	\$4,000.00	\$120,000.00
				r ,	
	Subtotal	<u> </u>			\$767,375.00
	Dewatering (8%)				\$61,390.00
	PHASE 1 TRUNKS SUBTOTAL			*	\$828,765.00
	Contingency 20%		:	:	\$165,753.00
	PHASE 1 TRUNKS TOTAL				\$994,518.00
P		·			
				•	
	Plan Check & Inspection Fees	•		5%	\$49,725.90

## Table A-5 North Natomas Regency Park Community Facilities District No. 2001-03 Breakdown of Engineering Fees

PHASE 1 Pump Station				TOTAL
Pump Station	*			
				\$2,282,400.00
Detention Basin				\$5,213,793.60
Trunks				\$994,518.00
PHASE 1 TOTAL	· .			\$8,490,711.60
Phase 1 Engineering Design and Staking		, , , , , , , , , , , , , , , , , , ,	10%	\$849,071.16
PHASE 2				
Trunks				\$1,963,634.40
Offsite				\$230,940.00
PHASE 2 TOTAL				\$2,194,574.40
Phase 2 Engineering Design and Staking			10%	<b>\$</b> 219,457.44
	PHASE 1 TOTAL  Phase 1 Engineering Design and Staking  PHASE 2  Trunks  Offsite  PHASE 2 TOTAL  Phase 2 Engineering Design and	PHASE 1 TOTAL  Phase 1 Engineering Design and Staking  PHASE 2  Trunks  Offsite  PHASE 2 TOTAL  Phase 2 Engineering Design and	PHASE 1 TOTAL  Phase 1 Engineering Design and Staking  PHASE 2  Trunks  Offsite  PHASE 2 TOTAL  Phase 2 Engineering Design and	PHASE 1 TOTAL  Phase 1 Engineering Design and Staking  10%  PHASE 2  Trunks  Offsite  PHASE 2 TOTAL  Phase 2 Engineering Design and

Table A-6
North Natomas Regency Park
Community Facilities District No. 2001-03
Breakdown of HCP Fees

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
············	WQ Basin Area (Lot X)	8.0	acres		
	Park Area (Lot Z)	42.6	acres		
	Total Area	50.6	acres	\$3,441.50	\$174,139.90
<del></del>			·		•
	HCP Fee Total		. ,,		\$174,139.90
		<u> </u>		<u> </u>	

Table A-7
North Natomas Regency Park
Community Facilities District No. 2001-03
Breakdown of Land Acquisition

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
110.		COANTITI	UNIT	UNII FRICE	TOTAL
	WQ Basin Area (Lot X)	8.0	acres		
	Park Area (Lot Z)	42.6	acres		
	Park Credit (Lot Z)	-31.0	acres		
	Total Land Acquisition	20	acres	\$80,000.00	\$1,568,000.00
	Appraisal				\$20,000.00
	Land Acquisition Total				\$1,588,000.00
	<u> </u>				
<u> </u>					

Park Credit Acreage from Figure 7 of Final Master Plan

Table A-8
North Natomas Regency Park
Community Facilities District No. 2001-03
Breakdown of PH2 Trunk Costs

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
	DRAINAGE				
1	24" Drain	390	LF	\$70.00	\$27,300.00
2	27" Drain	360	LF	\$80.00	\$28,800.00
3	30" Drain	2,285	LF	\$85.00	\$194,225.00
4	33" Drain	480	LF	\$100.00	\$48,000.00
5	36" Drain	2,130	LF	\$115.00	\$244,950.00
6	42" Drain	1,139	LF	\$120.00	\$136,680.00
7 .	48" Drain	2,657	LF	\$135.00	\$358,695.00
8	54" Drain	1,660	LF	\$140.00	\$232,400.00
9	Saddle Manhole	6	EA	\$4,500.00	\$27,000.00
10	Junction Box	9	EA	\$8,000.00	\$72,000.00
11	Manhole No. 3	1	EA	\$3,500.00	\$3,500.00
12	Manhole No. 4	21	EA	\$4,000.00	\$84,000.00
13	Offsite Channel	19,200	CY	\$3.00	\$57,600.00
		· · ·			
	PHASE 2 TRUNK SUBTOTAL				\$1,515,150.00
	Dewatering (8%)		l: -		\$121,212.00
	PHASE 2 TRUNKS SUBTOTAL				\$1,636,362.00
	Contingency 20%			,	\$327,272.40
	PHASE 2 TRUNK TOTAL				\$1,963,634.40
· . · · · · · · · · · · · · · · · · · ·		· ·			<u>.                                    </u>
	Plan Check & Inspection Fees			5%	\$98,181.72

Table A-9
North Natomas Regency Park
Community Facilities District No. 2001-03
Breakdown of PH2 Offsite Costs

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
	1				
		,		:	
	NORTHEAST DETENTION			•	•
	BASIN / EXCAVATION	· · · · · · · · · · · · · · · · · · ·		· -	
1	Offsite Channel	34,700	CY	\$3.00	\$104,100.00
2	Detention Basin	1,500	CY	\$3.00	\$4,500.00
3	Weir	1	EA	\$25,000.00	\$25,000.00
4	42" Culverts (Elkhorn)	30	LF	\$120.00	\$3,600.00
5	48" Culverts (Elkhorn)	150	LF	\$135.00	\$20,250.00
6	Headwall Structures	1	EA	\$10,000.00	\$10,000.00
7	Miscellaneous	1	EA	\$20,000.00	\$20,000.00
	(Access Road, Ramps, Conc.)				<del></del>
88	Cobbled Erosion Control (Elkhorn)	1:	EA	\$5,000.00	\$5,000.00
	NORTHEAST DETENTION BASIN / EXCAVATION	SUBTOTAL			\$192,450.00
	Contingency 20%				\$38,490.00
	PHASE 2 OFFSITE TOTAL				\$230,940.00

#### APPENDIX B

CITY OF SACRAMENTO
NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

# CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

# RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (herein "CFD No. 2001-03") shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2001-03, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

# A. **DEFINITIONS**

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

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

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to CFD No. 2001-03 and the Bonds, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements under the California Government Code with respect to the Bonds and the Special Tax, and all other costs and expenses of the City in any way related to the establishment or administration of CFD No. 2001-03.

"Administrator" shall mean the person or firm designated by the City to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.

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

- "Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.
- "Association Property" means any property within CFD No. 2001-03 that is owned by a homeowners' association or property owners' association. Notwithstanding the foregoing, if a homeowners' association owns the land area under the pad of a residential structure, the Administrator shall determine the acreage under the pad of the building, and such acreage shall be categorized as Medium Density Residential Property or High Density Residential Property, as appropriate, and shall not be designated as Association Property.
- "Average Lot Size" means, for all Single Family Residential Property within a particular Final Map, the average size of the Buildable Lots within that Final Map, which shall be calculated pursuant to Section B below.
- "Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2001-03 related to public infrastructure and/or improvements that will serve property included within CFD No. 2001-03.
- "Buildable Lot" means an individual lot of Single Family Residential Property within a Final Map for which a building permit may be issued without further subdivision of such lot.
- "Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.
- "City" means the City of Sacramento.
- "City Council" means the City Council of the City of Sacramento.
- "County" means the County of Sacramento.
- "Developed Property" means, in any Fiscal Year, the following:
  - All Parcels of Single Family Residential Property for which a Final Map was recorded prior to January 1 of the preceding Fiscal Year
  - All Parcels of Medium Density Residential Property and High Density Residential Property for which a building permit was issued for construction of a residential structure prior to January 1 of the preceding Fiscal Year
  - All Parcels of Other Property for which a building permit was issued prior to January 1 of the preceding Fiscal Year for construction of a structure on such Parcel
- "Development Plan" means the land uses planned for development on property within CFD No. 2001-03 and used in the calculation of the Maximum Special Taxes reflected in Section C below. The Development Plan is summarized in Attachment 1 of this Rate and Method of Apportionment of Special Tax.

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

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

"High Density Residential Property" means any Parcel in CFD No. 2001-03 which is assigned a residential land use classification of High Density Residential (HD) in the North Natomas Community Plan and is not developed as Single Family Residential Property.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

"Medium Density Residential Property" means any Parcel in CFD No. 2001-03 which is assigned a residential land use classification of Medium Density Residential (MD) in the North Natomas Community Plan and is not developed as Single Family Residential Property.

"North Natomas Community Plan" means the North Natomas Community Plan that was adopted by the City Council on May 3, 1994, amended by the City Council on April 16, 1996, and as may be further amended from time to time.

"Other Property" means all Parcels of Taxable Property which are not Single Family Residential Property, Medium Density Residential Property or High Density Residential Property, as defined above.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means any property within the boundaries of CFD No. 2001-03 that is owned by the City, federal government, State of California or other local government or public agency.

"Single Family Residential Property" means any Parcel on which a single family detached residential unit or duplex is constructed or expected to be constructed as determined by the City.

"Special Tax" means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

"Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which are due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of

Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected (iv) to pay Administrative Expenses, and (v) to pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2001-03. The Special Tax Requirement may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Bond indenture, Bond resolution, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2001-03 which are not exempt from the Special Tax pursuant to law or Section G below.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property pursuant to the definition set forth in this Section A.

# B. <u>DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX</u>

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for Taxable Property within the CFD. The Administrator shall also (i) determine whether each Parcel is Developed Property or Undeveloped Property, (ii) for Developed Property, determine whether each Parcel is Single Family Residential Property, Medium Density Residential Property, High Density Residential Property or Other Property, and (iii) calculate the Average Lot Size for Single Family Residential Property for each Final Map that was recorded in the prior Fiscal Year. Individually, for each recorded Final Map, the Average Lot Size shall be calculated pursuant to the following steps:

- Step 1. Determine how many Buildable Lots are included within the Final Map.
- Step 2. Add together the square footage of all Buildable Lots within the Final Map.
- Step 3. Divide the total square footage from Step 2 by the number of Buildable Lots determined in Step 1 to calculate the Average Lot Size for the Final Map.

# C. MAXIMUM SPECIAL TAX

Table 1 below identifies the Maximum Special Tax for Taxable Property within CFD No. 2001-03:

# TABLE 1 REGENCY PARK CFD No. 2001-03 MAXIMUM SPECIAL TAXES (FISCAL YEAR 2002-03)

Type of Property	Average Lot Size	Maximum Special Tax Fiscal Year 2002-03 *
Single Family	Greater than or equal to	
Residential Property	4,500 square feet	\$649 per Buildable Lot
Single Family	Less than	
Residential Property	4,500 square feet	\$487 per Buildable Lot
Medium Density		
Residential Property	N/A	\$3,408 per Acre
High Density		
Residential Property	N/A	\$4,654 per Acre
Other Property	N/A	\$4,654 per Acre
Undeveloped Property	N/A	\$4,900 per Acre

<sup>\*</sup> On July 1, 2003 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

Pursuant to Section 53321 (d) of the Act, the Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels in the CFD and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied. In no event shall Special Taxes be levied within CFD No. 2001-03 after Fiscal Year 2036-37.

# D. AMENDMENTS TO THE DEVELOPMENT PLAN

The Maximum Special Taxes set forth in Table 1 above are calculated based on the number of Buildable Lots, the Average Lot Size of Buildable Lots, and the acreage of Medium Density Residential Property and High Density Residential Property that was anticipated at the time of formation of CFD No. 2001-03. If, in any future year, changes are made to the Development Plan that would result in a reduction in the Maximum Special Tax revenues that can be generated within the CFD, a mandatory prepayment shall be required to maintain debt service coverage covenants set forth in the Bond indenture. Each time a Final Map is submitted for approval to the City, the following steps shall be applied to determine if a mandatory prepayment is required:

The Administrator shall calculate the Maximum Special Tax revenues that could be collected from the property affected by the proposed revision to the Development Plan (the "Affected Property") prior to the revision being approved assuming, for purposes of the calculation, that the property is fully developed with the land uses anticipated in the Development Plan.

- Step 2: The Administrator shall calculate the Maximum Special Tax revenues that could be collected from the Affected Property if the revision to the Development Plan is approved and the Affected Property is fully developed with the proposed land uses.
- Step 3: If the amount determined in Step 2 is higher than that calculated in Step 1, the revision to the Development Plan may be approved without requiring a mandatory prepayment and the Maximum Special Taxes identified in Section C above shall apply to Affected Property. If the amount calculated in Step 2 is less than the amount calculated in Step 1, one of the following must occur:
  - (a) The revision to the Development Plan is not approved by the City, or
  - (b) The landowner requesting the revision to the Development Plan prepays a portion of the Special Tax obligation that would have applied to the Affected Property prior to approval of the revision in an amount sufficient to retire a portion of the Bonds and maintain required debt service coverage with the reduced Maximum Special Tax revenues that will result after the revision to the Development Plan is approved. The required prepayment must be received prior to approval of Final Map and shall be calculated using the formula set forth in Section H below. If, for any reason, the required prepayment is not received prior to approval of the Final Map, no building permits will be issued for development of any property within the Final Map until the mandatory prepayment is received by the City.

Notwithstanding the foregoing, if a property owner proposes changes to the Development Plan that will cause a reduction of Maximum Special Tax revenues in one area of the CFD and an increase in Maximum Special Tax revenues in another area of the CFD, the City may, in its sole discretion, permit such a change to the Development Plan without a mandatory prepayment. Upon approval of the revision to the Development Plan, Attachment 1 to this Rate and Method of Apportionment of Special Tax shall be revised to reflect the new anticipated land uses within the CFD.

# E. METHOD OF LEVY OF THE SPECIAL TAX

Commencing with Fiscal Year 2002-03 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

- The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year, as determined pursuant to Section C above.
- Step 2. If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied

Proportionately on each Assessor's Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C above.

Step 3: If additional revenue is needed after applying the first two steps, the Special Tax shall be levied Proportionately on each Parcel of Association Property within the CFD, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C above.

Step 4. If additional revenue is needed after applying the first three steps, the Special Tax shall be levied Proportionately on each Parcel of Public Property within the CFD that is Taxable Property, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year determined pursuant to Section C above.

# F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Taxes for CFD No. 2001-03 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Taxes proceeds have been completed. However, in no event shall Special Taxes be levied after Fiscal Year 2036-2037.

# G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

# H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"Remaining Facilities Costs" means the Public Facilities Requirement minus public facility costs funded by Outstanding Bonds, developer equity and/or any other source of funding.

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

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

"Public Facilities Requirements" means either \$14,600,000 in 2002 dollars, which shall increase on January 1, 2003, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such lower number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by CFD No. 2001-03.

The Special Tax obligation applicable to an Assessor's Parcel in CFD No. 2001-03 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

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

**Bond Redemption Amount** 

plus Remaining Facilities Amount

plus Redemption Premium
plus Defeasance Requirement

pras Dorousanos resquiromone

plus Administrative Fees and Expenses

<u>less</u> <u>Reserve Fund Credit</u> equals <u>Prepayment Amount</u>

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

Compute the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City. If this Section H is being applied to effect a mandatory prepayment pursuant to Section D above, use, for purposes of this Step 1, the amount by which the Maximum Special Tax revenues have been reduced due to the change in the Development Plan that required the mandatory prepayment.

- Step 2. Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the lesser of (i) the Maximum Special Tax revenues that could be collected in that Fiscal Year from property in the entire CFD, or (ii) the Maximum Special Tax revenues that could be generated at buildout of property in the CFD based on anticipated land uses at the time the prepayment is calculated.
- Step 3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
- Step 4. Compute the current Remaining Facilities Costs (if any).
- Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (the "Remaining Facilities Amount").
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.
- Step 8: Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9: Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the "Defeasance Requirement").
- Step 10. The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
- Step 11. If and to the extent so provided in the Bond indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit").

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

# I. INTERPRETATION OF SPECIAL TAX FORMULA

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rates, method of apportionment, classification of properties or any definition applicable to the CFD.

# J. <u>APPEALS</u>

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City Special Districts Section and City Treasurer's Office appealing the levy of the Special Tax. The City shall then promptly review the appeal and, if necessary, meet with the applicant. If the City verifies that the Special Tax should be modified, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

# **ATTACHMENT 1**

# Regency Park Summary of Development Plan

Village/ Key Number *	Expected Land Use **	Average Lot Size	Number of Single Family Residential Units	Net Acres
Vill 20, Key #95	SFR	>= 4,500 sf	107	14.2
Vill 21, Key #96	SFR	>= 4,500 sf	111	17.0
Vill 22, Key #97	SFR	>= 4,500 sf	93	11.2
Vill 23, Key #98	SFR	>= 4,500 sf	117	14.0
Vill 24, Key #99	SFR	>= 4,500 sf	109	14.3
Vill 25, Key #100	SFR	>= 4,500 sf	77	10.3
Vill 26, Key #101	SFR	>= 4,500 sf	111	14.0
Vill 27, Key #102	SFR	>= 4,500 sf	106	13.6
Vill 28, Key #103	SFR	>= 4,500 sf	103	12.2
Vill 29, Key #104	SFR	>= 4,500 sf	163	21.8
Vill 30, Key #105	SFR	>= 4,500 sf	94	13.5
Vill 30A, Key #106	SFR	>= 4,500 sf	61	10.8
Vill 31, Key #107	SFR	>= 4,500 sf	107	17.0
Vill 32, Key #108	SFR	>= 4,500 sf	94	13.3
Vill 33, Key #109	SFR	>= 4,500 sf	60	8.4
Vill 34, Key #110	SFR	>= 4,500 sf	86	10.2
Vill 35, Key #111	SFR	>= 4,500 sf	63	8.4
Key #112	MDR	N/A	N/A	8.1
Key #113	MDR	N/A	N/A	11.3
Key #114	MDR	N/A	N/A	6.5
Key #115	MDR	N/A	N/A	13.5
Key #116	HDR	N/A	N/A	6.4
Key #117	HDR	N/A	N/Å	6.9
Key #118	HDR	N/A	N/A	8.2
Key #121	DAYCARE	N/A	N/A	1.04
Key #123	COMM	N/A	N/A	2.78

<sup>\*</sup> See Page 2 of this Attachment 1 for the geographic area identified by each key number and village designation

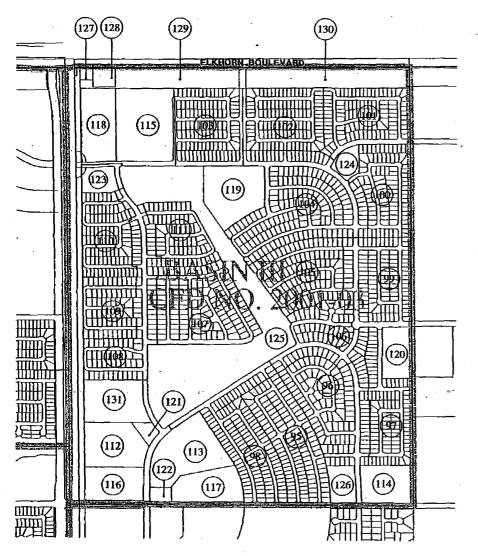
Source of Data: Wood Rodgers, Inc., December 2001

<sup>\*\*</sup> SFD = Single Family Residential, MDR = Medium Density Residential, HDR = High Density Residential, Comm = Commercial

# CFD NO. 2001-03 LAND USE/ACREAGE EXHIBIT

NORTH NATOMAS COMMUNITY

OCTOBER 2001 (REVISED DECEMBER 4, 2001)



KEY NUMBER 95 96	NAME	LAND	i		1	t
NUMBER 95 96	NAME	i iamn i				<del></del>
95 96	Į.	A series and a street of the series of the s	TYPICAL	UNITS	NET	GROS
96		USE	LOT SIZE		ACRES	ACRE
	VILL 20	SF RES	4725/5775	107	14.20	18.00
	VILL 21	SFRES	4725/5775	111	17.00	22.30
97	VILL 22	SF RES	4725	93	11.20	14,00
98	VILL 23	SF RES	4725/5775	117	14.00	19,10
99	VILL 24	SFRES	5250/5775	109	14.30	18.60
100	VILL 25	SFRES	5250	77	10.30	13.86
101	VILL 26	SFRES	4725/5250	111	14.00	17.80
102	VILL 27	SFRES	4725	106	13.60	16.10
103	VILL 28	SF RES	4725	103	12.20	16.60
104	VILL 29	SF RES	VARIES	163	21.80	30.10
105	VILL 30	SF RES	5775	94	13.50	16.50
106	VILL 30A	SFRES	4725/5775	61	10.80	13.40
107	VILL 31	SF RES	6300	107	17.00	22.30
108	VILL 32	SFRES	VARIES	94	13.30	18.70
109	VILL 33	SF RES	5775	60	8.40	10.40
110	VILL 34	SF RES	4725	86	10.20	12.60
111	VILL 35	SF RES	5250	63	8.40	10.50
112	N/A	MDR	N/A	N/A	8,10	8.30
113	N/A	MDR	N/A	N/A	11.30	12.40
114	N/A	MDR	N/A	N/A	6.50	7.90
115	N/A	MDR	N/A	N/A	13.50	14.30
116	N/A	HDR	N/A	N/A	6.40	7.60
117	N/A	HDR	N/A	N/A	6.90	7.60
118	N/A	HDR	N/A	N/A	8.20	8.40
119	N/A	ËS	N/A	N/A	9.83	9,83
120	N/A	ES	N/A	N/A	5.00	5.00
121	N/A	DAYCARE	N/A	N/A	1.04	1.44
122	N/A	<u> </u>	N/A	N/A	1.00	1.37
123	N/A	COMM	N/A	N/A	2.78	3:45
124	N/A	PARK	N/A	N/A	2:04	2.04
125	N/A	PARK	N/A	N/A	42.14	42.14
126	N/A	PARK	N/A	N/A	3.23	3.23
127	N/A	os	N/A	N/A	0.47	0.52
128	N/A	OS	N/A	N/A	1.30	1.38
129	N/A	OS	N/A	N/A	B.21	8.85
130	N/A	OS	N/A	-N/A	10.34	11.13
131	N/A	DET. BASIN	N/A	N/A	8.04	8.68
132	N/A	OS	N/A	N/A	7.54	7.70
TAL FOR R	EGENCY F	PARK		1662	388.06	464.32
TAL FOR C	FD 0004 5			1662	388.06	464.32







## **CITY OF SACRAMENTO**

# CERTIFICATE RELATIVE TO VOTERS IN THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

- I, Manager of Development Services, Department of Public Works of the City of Sacramento, hereby declare:
- I am familiar with the boundaries of the proposed City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District").
- 2. I have prepared, from the official records of the County of Sacramento, a list of all property owners within the Community Facilities District, including the total number of acres owned within the Community Facilities District by each such property owner, and that attached hereto, marked Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of such list.
- 3. I have personally inspected the land in the Community Facilities District, and have noted the locations of all dwellings therein that might contain registered voters, and I have cross-checked such locations with the Sacramento County Registrar of Voters as well as inquired directly of such officer's records to determine the number of registered voters residing within the boundaries of the Community Facilities District, and based on the foregoing, I have determined that on the date hereof, there were fewer than twelve (12) registered voters residing within the Community Facilities District.

Dated: December 18, 2001.

Manager of Development Services, Department of Public

Works of the City of Sacramento

# **EXHIBIT A**

# CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

# **LIST OF PROPERTY OWNERS**

De	scription of Property	Name of Prperty Owner	No. of Acres
20	01-0310-017-0000	Northpointe North LLC	75.47
20	01-0310-018-0000	Northpointe North LLC	74.28
20	01-0320-022-0000	Northpointe North LLC	157.83
20	01-0320-023-0000	Northpointe Park LLC	157.41
			464.99



December 5, 2001

City Council
City of Sacramento
915 I Street
Sacramento, CA 95814

RE: City of Sacramento

North Natomas Regency Park

Community Facilities District No. 2001-03

# Dear Councilmembers:

The undersigned is an authorized representative of the property owner owning all the land within the proposed City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, and in such capacity the undersigned consents to the changes made to the Rate, Method of Apportionment and Manner of Collection of the Special Tax from that initially approved by Resolution No. 2001-741 adopted by the City Council on November 13, 2001, to the format attached to this letter as Exhibit A hereto.

Very truly yours, NORTHPOINTE NORTH, LLC A California limited liability company

By: Lennar Winncrest, LLC

a Delaware limited liability company

its sole member

By: Lennar Land Partners II

a Florida general partnership

its Managing Member

By: Lennar Homes of California, Inc.

a California Corporation

its attorney in fact

By:

# WAIVER AND CONSENT OF LANDOWNER IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03 SHORTENING TIME PERIODS AND WAIVING VARIOUS REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT SPECIAL ELECTION

The undersigned is the owner (or the authorized representative of the owner) of certain real property in the City of Sacramento (the legal description of which is indicated in Attachment A attached hereto), which real property is located in the proposed City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District"), as the boundaries of the Community Facilities District are set forth on the map entitled "Proposed Boundaries of the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, County of Sacramento, State of California" designated Attachment B, attached hereto and incorporated herein, and in such capacity the undersigned certifies that the undersigned is legally entitled and authorized to cast the ballots for the above-referenced owner in the special election to be conducted within the Community Facilities District to determine, among other things, whether the land owned by the above-referenced owner shall be subject to the levy of a special tax by the Community Facilities District.

The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being

expedited, pursuant to this waiver and consent, at the particular instance and request of the above-referenced owner.

Dated: December 5, 2001

- By: NORTHPOINTE NORTH, LLC A California limited liability company
- By: Lennar Winncrest, LLC a Delaware limited liability company its sole member
- By: Lennar Land Partners II a Florida general partnership its Managing Member
- By: Lennar Homes of California, Inc. a California Corporation its attorney in fact

By: Mukala Ulyan Signature vue president

# ATTACHMENT A

# CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

NAME OF OWNER SACRAMENTO COUNTY
ASSESSOR'S PARCEL NUMBER
OR LEGAL DESCRIPTION

**SIGNATURE** 

Mukael J. Ulm. Mukael J. Ulm. Mukael J. Ulm.

Northpointe North, LLC 201-0320-023

Northpointe North, LLC 201-0310-017

201-0310-018

Northpointe Park, LLC 201-0320-022

A-1

DATE ADOPTED:

ELKHORN BOULEVARD 3850' PARCEL MAP PARCEL MAP ORTION OF NATOMASION PORTION OF NATOMASION EASTSIDE SUBDIVISION 3 P.M. 39 PARCEL 8 PARCEL 9 NATOMAS RD-1000 EAST SCALE: 1" -500" **BOUNDARY LINE-**3877 CLUB CENTER

PROPOSED BOUNDARIES OF
CITY OF SACRAMENTO
NORTH NATOMAS
REGENCY PARK
COMMUNITY FACILITIES DISTRICT No. 2001-03
COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA
SHEET 1 OF 1

### CLERK'S MAP FILING STATEMENT.

CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

#### CIERKS CERTIFICATE

HARRING CHETY THAT DE MAP SHOWING PROPOSED BOUNDARES OF CITY OF 
SACRAMENTO MORTH MATCHASS RECENCY PARK COMMUNITY FACULTIES DISTRICT MO. 
COLONING, OF DECITY OF SACRAMENTO, STATE OF CAMPRIDAD, MISS APPRICAD BY ME. 
DAY OF 200, 190 YETS RESOLUTION INC.

CITY CLERK, CITY OF SACRAMEDITO, CALFORNIA

#### COUNTY RECORDER'S FILING STATEMENT

FALCO THIS BOOK OF 200, AT THE HOUR OF O'CLOCK M, IN BOOK OF MAPS OF ASSESSMENT AND COMMANDETY FACULTIES DISTRICTS AT PACE. IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF, CALFORNIA.

COUNTY RECORDER OF THE DOWNTY OF SACRAMENTO, CALIFORNIA

BY:	 	DOCUMENT NO	

WILLIAM PLANNER MATTER BATTE

9201 D STREET, B408, 104 Section (C. Co. 95816 Propert 1916) 241-7760

1045 044

## **CITY OF SACRAMENTO**

CERTIFICATE OF PUBLISHING THE TITLE OF
ORDINANCE LEVYING A SPECIAL TAX FOR THE FISCAL YEAR 2002-2003
AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO
THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

- I, Valerie A. Burrowes, City Clerk of the City of Sacramento, certify that:
- On January 22, 2002, the Council introduced the above-captioned
   Ordinance and approved for the publication of its title in a newspaper of general circulation published in the City of Sacramento; and
- 2. Pursuant to Section 8 of said Ordinance, I caused to be published once in **THE SECRET**, a newspaper of general circulation published in the City of Sacramento, the title of said Ordinance on January **25**, 2002, a proof of publication which is attached hereto as Exhibit A.

Dated: January <u>**30**</u>, 2002.

### THE

~ SINCE 1911 ~

1115 H Street, P.O. Box 1048, Sacramento, California 95812 Telephone (916) 444-2355 • Fax (916) 444--0636

SAC, CITY CLERK 915 I ST. #304 SACRAMENTO, CA - 95814

# PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California County of Sacramento

)<sub>ss</sub>

Notice Type:

-

GSORD SAC CITY ORDINANCE -1 PUB

Ad Description:

**AD NO 9403** 

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the DAILY RECORDER, a daily newspaper published in the English language in the City of Sacramento, County of Sacramento, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of Sacramento, State of California, under date May 2, 1913, Case No. 16,180. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said-newspaper and not in any supplement thereof on the following dates, to-wit:-

Executed on: 01/25/2002 At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature

SC#: 345832

CITY OF SACAMENTO ORDINANCE
On January 22, 2002, the following ordinance was considered by the Sacramento City Council and will be considered for final adoption at the regular Council meeting of February 19, 2002. In accordance with Sacramento City Charter Section 32, the title is herein oublished:

City Charter Section 32, the title is herein oublished:
AN ORDINANCE OF THE CITY OF SACRAMENTO LEVYING A SPECIAL TAX FOR THE FISCAL YEAR 2002-2003 AND FOLLOWING, FISCAL YEARS SOLELY WITHIN AND RELATING TO THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

2001-03
Anyone interested in the full text of the above ordinance may contact the Office of the City Clerk, City Hall, 915 1 Street, Room 304, phone (916) 264-5427.
SACRAMENTO CITY COUNCIL
BY: VALERIE A. BURROWES, City Clerk AD NO.: 9403

01/25/02

SC-345832#

# CITY OF SACRAMENTO

CERTIFICATE OF CITY CLERK RELATIVE TO FILING
WAIVERS AND CONSENTS
IN THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

STATE OF CALIFORNIA	)	
•	)	SS
COUNTY OF SACRAMENTO	)	

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento:

That she has examined the Certificate Relative to Voters filed in the proceedings for the formation of the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District") on December 18, 2001, and in particular the list of landowner voters within the Community Facilities District; and

That she has received, and now has in her possession as a permanent part of the City's records, waivers, in the form attached hereto as Exhibit A, executed by all of the landowners listed on the attachment to the Certificate Relative to Voters, and in each case where a representative is acting for the property owner, she has in her possession written evidence of the authority of that representative to act for the owner.

Subscribed and sworn to before me this Ah day of December, 2001.

NOTARY PUBLIC

State of California

My Contin. Expl October 12, 2004

COMM. #1276893

[Notarial Seal]

15/0/09/08/1/57/1/63/2

COMM. #1273893
Notary Public-California
SACRAMENTO COUNTY
My Comm. Exp. October 12, 2004

•

## **EXHIBIT A**

# WAIVER AND CONSENT OF LANDOWNER IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03 SHORTENING TIME PERIODS AND WAIVING VARIOUS REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT SPECIAL ELECTION

The undersigned is the owner (or the authorized representative of the owner) of certain real property in the City of Sacramento (the legal description of which is indicated in Attachment A attached hereto), which real property is located in the proposed City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District"), as the boundaries of the Community Facilities District are set forth on the map entitled "Proposed Boundaries of the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, County of Sacramento, State of California" designated Attachment B, attached hereto and incorporated herein, and in such capacity the undersigned certifies that the undersigned is legally entitled and authorized to cast the ballots for the above-referenced owner in the special election to be conducted within the Community Facilities District to determine, among other things, whether the land owned by the above-referenced owner shall be subject to the levy of a special tax by the Community Facilities District.

The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being

expedited, pursuant to this waiver above-referenced owner.	and consent, at the	e particular instance and request of the
Dated:	, 2001	
	Ву	(signature)
•	•	(orginatio)
		(print name of Authorized Representative)

# ATTACHMENT A

# CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

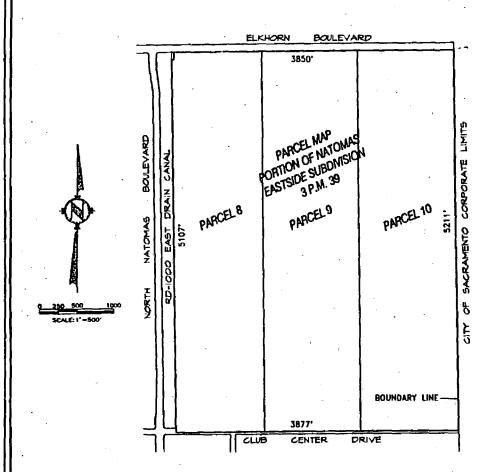
NAME OF OWNER SACRAMENTO COUNTY ASSESSOR'S PARCEL NUMBER OR LEGAL DESCRIPTION

**SIGNATURE** 

FOR CITY CLERK USE ONLY

RESOLUTION NO.:

DATE ADOPTED.



PROPOSED BOUNDARIES OF CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT No. 2001-03 COUNTY OF SACRAMENTO, STATE OF CALIFORNIA SHEET 1 OF 1

CITY OF SACRAMENTO, CAUPOINIA

CLERK'S CERTIFICATE

MARING LITTLE MACRISES.

HEREBY CENTRY THAT DE MAP SHOWNG PROPOSED BOUNDARIES OF CITY OF EACHARMING MORTH HATDMAS RECIPICT PARK COMMAND IT FACULTE'S DISTRICT MO. 2001—33, COMMAND TO STATE OF CALEFORMA, MAS APPROVED BY THE CITY COMMON, OF DIE CITY OF SAGRAMENTO, AT A MELTING THEORY. MILD ON BEEN OF THE COMMON OF DIE CITY OF SAGRAMENTO AT A MELTING THEORY. MILD ON BEEN OF THE COMMON OF DIE CITY OF SAGRAMENTO AT A MELTING THEORY.

CITY CLERK, CITY OF SACRAMENTO, CALFORNIA

COUNTY RECORDER'S FILING STATEMENT.

PADD DISS DAY OF 200 AT THE HOUR OF O'CLODIS M. IN BOOK OF MAPS OF ASSESSMONT AND COMMUNITY FACULTIES COUNTY OF SACRAMENTO, STATE OF CALE OPING. OF THE COUNTY PECONDER OF THE COUNTY OF SACRAMENTO, STATE OF CALE OPING.

COUNTY SECONDER OF THE COUNTY OF SACRAMENTO, CALIFORNIA

WITE BOOKERS →

# CITY OF SACRAMENTO

AFFIDAVIT OF DELIVERY OF BALLOTS
FOR THE SPECIAL MAILED-BALLOT ELECTION TO BE HELD
IN THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03,
ON JANUARY 22, 2002

STATE OF CALIFORNIA	)	
	)	SS
COUNTY OF SACRAMENTO	)	

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento;

That, pursuant to Resolution No. 2001-850 (the "Resolution") adopted by the Council of the City of Sacramento on December 18, 2001, she complied with the requirements for delivering the ballots for the special mailed-ballot election to be held on Tuesday, January 22, 2002, in the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, as required by Section 10 of the Resolution, by mailing or delivering in person to each of the landowners qualified to vote at said special mailed-ballot election a ballot, and that

attached hereto, marked Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of such ballot in the form delivered.

City of Sacramento

N. C. ALLEN COMM. #1276893 Notary Public California SACRAMENTO COUNTY

Comm. Exp. October 12, 2004 K

Subscribed and sworn to before me this 26 day of December, 2001.

**NOTARY PUBLIC** 

State of California

[Notarial Seal]

# CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

# SPECIAL ELECTION BALLOT

FOR THE SPECIAL ELECTION OF JANUARY 22, 2002.	
This ballot is for the use of, a lando Sacramento North Natomas Regency Park Community Facilities District No. 2001-03.	wner within the City of
According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resol the City of Sacramento, such landowner is entitled to cast votes on this ballot.	utions of the Council of
In order to be counted, this ballot must be certified below and be returned, either by mail or in per Tuesday, January 22, 2002, to:	son, before 2:00 p.m. on
Valerie A. Burrowes, City Clerk City of Sacramento Sacramento City Hall 915 I Street Sacramento, CA 95814	
Mailing by that date will not be sufficient, as the ballot must be physically received by the C Sacramento prior to the deadline in order to be counted.	lity Clerk of the City of
AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, ( WRITE NUMBERS IN THE SPACES PROVIDED.	OR THE VOTER MAY
BALLOT MEASURE	
Shall the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District") be authorized to finance the acquisition and construction of those certain primary and secondary public facilities generally constituting detention basin; pump station and pipes; bridge, culverts and concrete headwalls required for roadway and pedestrian crossings; drainage channel improvements; trunk drain pipes; habitat conservation fees; dewatering and measures to control groundwater; roads; sanitary sewer trunk and interceptor lines; water transmission lines; landscaping and soundwalls, public dry utilities; engineering, construction staking, construction management and related costs; together with authorized development fees related to public improvements in the Community Facilities District, by incurring a bonded indebtedness in the principal amount of twenty million dollars (\$20,000,000), and shall an appropriations limit in the amount of three million dollars (\$3,000,000) per fiscal year in connection therewith be established for the Community Facilities District, and shall a special tax with a maximum rate and method of apportionment as provided in Resolution No. 2001-850 adopted by the Council of the City of Sacramento on December 18, 2001, which is incorporated herein by reference, be levied to pay for the acquisition and construction of such public facilities, including the payment of principal of and interest on such bonds and	Number of votes YES  Number of votes NO
including the repayment of funds advanced for the Community Facilities District?  Certification	
The undersigned is the authorized representative of the above-named landowner and is the person entitled to cast this ballot on behalf of the above-named landowner.	legally authorized and
I declare under penalty of perjury under the laws of the State of California that the foregoing is truthis declaration is executed on, 2001.	ue and correct and that
••	
ByAuthorized Rep	recentative
Authorized Rep	LOSCHILLI FU

# **CITY OF SACRAMENTO**

# CERTIFICATE OF ELECTION RESULTS FOR THE SPECIAL ELECTION HELD IN THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03 ON JANUARY 22, 2002

I, Valerie A. Burrowes, City Clerk of the City of Sacramento, certify that:

I personally counted the ballots cast at the special election held on January 22, 2002, called by the Council in its Resolutions Nos. 2001-850 and 2001-851, both adopted on December 18, 2001, and I hereby certify the result of that count to be as follows:

	TOTAL VOTES CAST "YES":	464.99	
	TOTAL VOTES CAST "NO":	0	· ·
	TOTAL VOTES CAST: 464.99	····	
	THE VOTES CAST "YES" EQUAL	100	% OF THE TOTAL
VOTES CAS	T.		

Dated: January 22, 2002.

City Clerk of the City of Sacramento

RECORDING REQUESTED BY: Valerie A. Burrowes, City Clerk CITY OF SACRAMENTO

WHEN RECORDED, PLEASE RETURN TO: Ron Wicky CITY OF SACRAMENTO 1231 I Street, Room 300 Sacramento, CA 95814 Telephone: (916) 264-5628

Sacramento County Recording
Mark Norris, Clerk/Recorder
BOOK, 20020123 PAGE

1305

Wednesday, JAN 23, 2002 1:53:43 PM Ttl Pd \$51.00 Nbr-0001049951

DLM/17/1-15

SPACE ABOVE THIS LINE FOR RECORDER'S USE

# NOTICE OF SPECIAL TAX LIEN

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned City Clerk of the City of Sacramento, County of Sacramento, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the City Council of the City of Sacramento, County of Sacramento, State of California. The special tax secured by this lien is authorized to be levied for the purpose of: (1) paying principal and interest on bonds, the proceeds of which are being used to finance the acquisition and construction of those certain primary and secondary public facilities generally constituting detention basin; pump station and pipes; bridge, culverts and concrete headwalls required for roadway and pedestrian crossings; drainage channel improvements; trunk drain pipes; habitat conservation fees; dewatering and measures to control groundwater; roads; sanitary sewer trunk and interceptor lines; water transmission lines; landscaping and soundwalls, public dry utilities; engineering, construction staking, construction management and related costs; together with authorized development fees related to public improvements in the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, and (2) providing such public facilities.

The special tax is authorized to be levied within the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, which has now been officially formed, and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and cancelled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment and manner of collection of the authorized special tax is set forth in Exhibit A attached hereto and incorporated herein and made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and

permanently satisfied and the lien of the special tax cancelled are set forth in Exhibit A attached hereto and incorporated herein and made a part hereof.

Notice is further given that upon the recording of this notice in the office of the County Recorder of the County of Sacramento, State of California, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, and not exempt from the special tax, as of the date of recording this notice, are as set forth in Exhibit B attached hereto and incorporated herein and made a part hereof.

Reference is hereby made to the boundary map of the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, recorded on November 14, 2001, in Book 94 of Maps of Assessment and Community Facilities Districts at Page 27, in the office of the County Recorder of the County of Sacramento, State of California, which map is now the final boundary map of the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact Ron Wicky in the office of the Director of Public Works of the City of Sacramento, at 1231 I Street, Room 300, Sacramento, California 95814 (telephone 916/264-5628).

Dated

City Clerk of the City of Sacramento

### EXHIBIT A

# CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

# RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (herein "CFD No. 2001-03") shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2001-03, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

## A. <u>DEFINITIONS</u>

The terms hereinafter set forth have the following meanings:

- "Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.
- "Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the Government Code of the State of California.
- "Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to CFD No. 2001-03 and the Bonds, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements under the California Government Code with respect to the Bonds and the Special Tax, and all other costs and expenses of the City in any way related to the establishment or administration of CFD No. 2001-03.
- "Administrator" shall mean the person or firm designated by the City to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.
- "Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

- "Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.
- "Association Property" means any property within CFD No. 2001-03 that is owned by a homeowners' association or property owners' association. Notwithstanding the foregoing, if a homeowners' association owns the land area under the pad of a residential structure, the Administrator shall determine the acreage under the pad of the building, and such acreage shall be categorized as Medium Density Residential Property or High Density Residential Property, as appropriate, and shall not be designated as Association Property.
- "Average Lot Size" means, for all Single Family Residential Property within a particular Final Map, the average size of the Buildable Lots within that Final Map, which shall be calculated pursuant to Section B below.
- "Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2001-03 related to public infrastructure and/or improvements that will serve property included within CFD No. 2001-03.
- "Buildable Lot" means an individual lot of Single Family Residential Property within a Final Map for which a building permit may be issued without further subdivision of such lot.
- "Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.
- "City" means the City of Sacramento.
- "City Council" means the City Council of the City of Sacramento.
- "County" means the County of Sacramento.
- "Developed Property" means, in any Fiscal Year, the following:
  - All Parcels of Single Family Residential Property for which a Final Map was recorded prior to January 1 of the preceding Fiscal Year
  - All Parcels of Medium Density Residential Property and High Density Residential Property for which a building permit was issued for construction of a residential structure prior to January 1 of the preceding Fiscal Year
  - All Parcels of Other Property for which a building permit was issued prior to January 1 of the preceding Fiscal Year for construction of a structure on such Parcel
- "Development Plan" means the land uses planned for development on property within CFD No. 2001-03 and used in the calculation of the Maximum Special Taxes reflected in Section C below. The Development Plan is summarized in Attachment 1 of this Rate and Method of Apportionment of Special Tax.

- "Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq) that creates Buildable Lots. The term "Final Map" shall not include any large-lot subdivision map, Assessor's Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor's Parcels that are designated as remainder parcels.
- "Fiscal Year" means the period starting July 1 and ending on the following June 30.
- "High Density Residential Property" means any Parcel in CFD No. 2001-03 which is assigned a residential land use classification of High Density Residential (HD) in the North Natomas Community Plan and is not developed as Single Family Residential Property.
- "Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.
- "Medium Density Residential Property" means any Parcel in CFD No. 2001-03 which is assigned a residential land use classification of Medium Density Residential (MD) in the North Natomas Community Plan and is not developed as Single Family Residential Property.
- "North Natomas Community Plan" means the North Natomas Community Plan that was adopted by the City Council on May 3, 1994, amended by the City Council on April 16, 1996, and as may be further amended from time to time.
- "Other Property" means all Parcels of Taxable Property which are not Single Family Residential Property, Medium Density Residential Property or High Density Residential Property, as defined above.
- "Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property.
- "Public Property" means any property within the boundaries of CFD No. 2001-03 that is owned by the City, federal government, State of California or other local government or public agency.
- "Single Family Residential Property" means any Parcel on which a single family detached residential unit or duplex is constructed or expected to be constructed as determined by the City.
- "Special Tax" means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.
- "Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which are due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of

Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected (iv) to pay Administrative Expenses, and (v) to pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2001-03. The Special Tax Requirement may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Bond indenture, Bond resolution, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2001-03 which are not exempt from the Special Tax pursuant to law or Section G below.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property pursuant to the definition set forth in this Section A.

# B. DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for Taxable Property within the CFD. The Administrator shall also (i) determine whether each Parcel is Developed Property or Undeveloped Property, (ii) for Developed Property, determine whether each Parcel is Single Family Residential Property, Medium Density Residential Property, High Density Residential Property or Other Property, and (iii) calculate the Average Lot Size for Single Family Residential Property for each Final Map that was recorded in the prior Fiscal Year. Individually, for each recorded Final Map, the Average Lot Size shall be calculated pursuant to the following steps:

- Step 1. Determine how many Buildable Lots are included within the Final Map.
- Step 2. Add together the square footage of all Buildable Lots within the Final Map.
- Step 3. Divide the total square footage from Step 2 by the number of Buildable Lots determined in Step 1 to calculate the Average Lot Size for the Final Map.

# C. <u>MAXIMUM SPECIAL TAX</u>

Table 1 below identifies the Maximum Special Tax for Taxable Property within CFD No. 2001-03:

# TABLE 1 REGENCY PARK CFD No. 2001-03 MAXIMUM SPECIAL TAXES (FISCAL YEAR 2002-03)

Tune of Property	Average Lot Size	Maximum Special Tax Fiscal Year 2002-03 *
Type of Property		Tistat Tear 2002-05
Single Family	Greater than or equal to	
Residential Property	4,500 square feet	\$649.per Buildable Lot
Single Family	Less than	•
Residential Property	4,500 square feet	\$487 per Buildable Lot
Medium Density		
Residential Property	N/A	\$3,408 per Acre
High Density		
Residential Property	N/A	\$4,654 per Acre
Other Property	N/A	\$4,654 per Acre
Undeveloped Property	N/A	\$4,900 per Acre

\* On July 1, 2003 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

Pursuant to Section 53321 (d) of the Act, the Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels in the CFD and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied. In no event shall Special Taxes be levied within CFD No. 2001-03 after Fiscal Year 2036-37.

#### D. <u>AMENDMENTS TO THE DEVELOPMENT PLAN</u>

The Maximum Special Taxes set forth in Table 1 above are calculated based on the number of Buildable Lots, the Average Lot Size of Buildable Lots, and the acreage of Medium Density Residential Property and High Density Residential Property that was anticipated at the time of formation of CFD No. 2001-03. If, in any future year, changes are made to the Development Plan that would result in a reduction in the Maximum Special Tax revenues that can be generated within the CFD, a mandatory prepayment shall be required to maintain debt service coverage covenants set forth in the Bond indenture. Each time a Final Map is submitted for approval to the City, the following steps shall be applied to determine if a mandatory prepayment is required:

The Administrator shall calculate the Maximum Special Tax revenues that could be collected from the property affected by the proposed revision to the Development Plan (the "Affected Property") prior to the revision being approved assuming, for purposes of the calculation, that the property is fully developed with the land uses anticipated in the Development Plan.

7 Ann 31 Ann 42

- Step 2: The Administrator shall calculate the Maximum Special Tax revenues that could be collected from the Affected Property if the revision to the Development Plan is approved and the Affected Property is fully developed with the proposed land uses.
- Step 3: If the amount determined in Step 2 is higher than that calculated in Step 1, the revision to the Development Plan may be approved without requiring a mandatory prepayment and the Maximum Special Taxes identified in Section C above shall apply to Affected Property. If the amount calculated in Step 2 is less than the amount calculated in Step 1, one of the following must occur:
  - (a) The revision to the Development Plan is not approved by the City, or
  - (b) The landowner requesting the revision to the Development Plan prepays a portion of the Special Tax obligation that would have applied to the Affected Property prior to approval of the revision in an amount sufficient to retire a portion of the Bonds and maintain required debt service coverage with the reduced Maximum Special Tax revenues that will result after the revision to the Development Plan is approved. The required prepayment must be received prior to approval of Final Map and shall be calculated using the formula set forth in Section H below. If, for any reason, the required prepayment is not received prior to approval of the Final Map, no building permits will be issued for development of any property within the Final Map until the mandatory prepayment is received by the City.

Notwithstanding the foregoing, if a property owner proposes changes to the Development Plan that will cause a reduction of Maximum Special Tax revenues in one area of the CFD and an increase in Maximum Special Tax revenues in another area of the CFD, the City may, in its sole discretion, permit such a change to the Development Plan without a mandatory prepayment. Upon approval of the revision to the Development Plan, Attachment 1 to this Rate and Method of Apportionment of Special Tax shall be revised to reflect the new anticipated land uses within the CFD.

#### E. <u>METHOD OF LEVY OF THE SPECIAL TAX</u>

Commencing with Fiscal Year 2002-03 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

- Step 1. The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year, as determined pursuant to Section C above.
- Step 2. If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied

Proportionately on each Assessor's Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C above.

- Step 3: If additional revenue is needed after applying the first two steps, the Special Tax shall be levied Proportionately on each Parcel of Association Property within the CFD, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C above.
- Step 4. If additional revenue is needed after applying the first three steps, the Special Tax shall be levied Proportionately on each Parcel of Public Property within the CFD that is Taxable Property, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year determined pursuant to Section C above.

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

The Special Taxes for CFD No. 2001-03 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Taxes proceeds have been completed. However, in no event shall Special Taxes be levied after Fiscal Year 2036-2037.

#### G. <u>EXEMPTIONS</u>

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

#### H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"Remaining Facilities Costs" means the Public Facilities Requirement minus public facility costs funded by Outstanding Bonds, developer equity and/or any other source of funding.

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

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

"Public Facilities Requirements" means either \$14,600,000 in 2002 dollars, which shall increase on January 1, 2003, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such lower number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by CFD No. 2001-03.

The Special Tax obligation applicable to an Assessor's Parcel in CFD No. 2001-03 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

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

Bond Redemption Amount

plus Remaining Facilities Amount

plus Redemption Premium
plus Defeasance Requirement

plus Administrative Fees and Expenses

<u>less</u> <u>Reserve Fund Credit</u> equals <u>Prepayment Amount</u>

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

Compute the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City. If this Section H is being applied to effect a mandatory prepayment pursuant to Section D above, use, for purposes of this Step 1, the amount by which the Maximum Special Tax revenues have been reduced due to the change in the Development Plan that required the mandatory prepayment.

- Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the lesser of (i) the Maximum Special Tax revenues that could be collected in that Fiscal Year from property in the entire CFD, or (ii) the Maximum Special Tax revenues that could be generated at buildout of property in the CFD based on anticipated land uses at the time the prepayment is calculated.
- Step 3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
- Step 4. Compute the current Remaining Facilities Costs (if any).
- Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (the "Remaining Facilities Amount").
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.
- Step 8: Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9: Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the "Defeasance Requirement").
- Step 10. The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
- If and to the extent so provided in the Bond indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit").

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

#### I. INTERPRETATION OF SPECIAL TAX FORMULA

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rates, method of apportionment, classification of properties or any definition applicable to the CFD.

#### J. APPEALS

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City Special Districts Section and City Treasurer's Office appealing the levy of the Special Tax. The City shall then promptly review the appeal and, if necessary, meet with the applicant. If the City verifies that the Special Tax should be modified, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

#### **ATTACHMENT 1**

### Regency Park Summary of Development Plan

Village/ Key Number *	Expected Land Use **	Average Lot Size	Number of Single Family Residential Units	Net Acres
Vill 20, Key #95	SFR	>= 4,500  sf	107	14.2
Vill 21, Key #96	SFR	>= 4,500 sf	111	17.0
Vill 22, Key #97	SFR	>= 4,500 sf	93	11.2
Vill 23, Key #98	SFR	>= 4,500 sf	117	14.0
Vill 24, Key #99	SFR	>= 4,500 sf	109	14.3
Vill 25, Key #100	SFR	>= 4,500 sf	77	10.3
Vill 26, Key #101	SFR	>= 4,500 sf	- 111	14.0
Vill 27, Key #102	SFR	>= 4,500  sf	106	13.6
Vill 28, Key #103	SFR	>=4,500  sf	103	12.2
Vill 29, Key #104	SFR	>= 4,500 sf	163	21.8
Vill 30, Key #105	SFR	>= 4,500  sf	94	13.5
Vill 30A, Key #106	SFR	>= 4,500 sf	61	10.8
Vill 31, Key #107	SFR	>= 4,500 sf	107	17.0
Vill 32, Key #108	SFR	>= 4,500 sf	94	13.3
Vill 33, Key #109	SFR	>= 4,500 sf	60	8.4
Vill 34, Key #110	SFR	>= 4,500 sf	86	10.2
Vill 35, Key #111	SFR	>= 4,500 sf	63	8.4
Key #112	MDR	N/A	N/A	8.1
Key #113	MDR	N/A	N/A	11.3
Key #114	MDR	N/A	N/A	6.5
Key #115	MDR	N/A	N/A	13.5
Key #116	HDR	N/A	N/A	6.4
Key #117	HDR	N/A	N/A	6.9
Key #118	HDR	N/A	N/A	8.2
Key #121	DAYCARE	N/A	N/A	1.04
Key #123	COMM	N/A	N/A	2.78

<sup>\*</sup> See Page 2 of this Attachment 1 for the geographic area identified by each key number and village designation

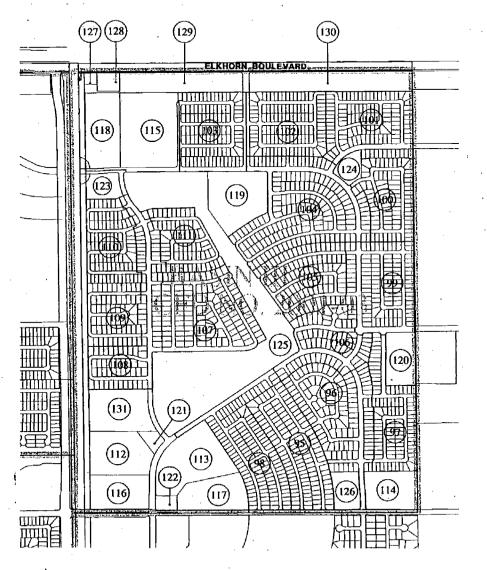
Source of Data: Wood Rodgers, Inc., December 2001

<sup>\*\*</sup> SFD = Single Family Residential, MDR = Medium Density Residential, HDR = High Density Residential, Comm = Commercial

#### CFD NO. 2001-03 LAND USE/ACREAGE EXHIBIT

#### NORTH NATOMAS COMMUNITY

OCTOBER 2001 (REVISED DECEMBER 4, 2001)

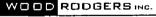


CFD	NO. 2	001-	03

KEY	NAME	LAND	TYPICAL	UNITS	NET	GROSS
NUMBER		USE	LOT SIZE		ACRES	ACRES
95	VILL 20	SF RES	4725/5775	107	14.20	18.00
96	VILL 21	SF RES	4725/5775	111	17.00	22.30
97	VILL 22	SF RES	4725	93	11.20	14.00
98	VILL 23	SFRES	4725/5775	117	14.00	19.10
99	VILL 24	SF RES	5250/5775	109	14.30	18.80
100	VILL 25	SF RES	5250	77	10.30	13.86
101	VILL 26	SF RES	4725/5250	111	14.00	17.80
102	VILL 27	SF RES	4725	106	13.60	16.10
103	VILL 28	SF RES	4725	103	12.20	16.60
104	VILL 29	SFRES	VARIES	163	21.80	30.10
105	VILL 30	SFRES	5775	94	13.50	16.50
106	VILL 30A	SFRES	4725/5775	61	10.80	13.40
107	VILL 31	SFRES	6300	107	17.00	22.30
108	VILL 32	SFRES	VARIES	94	13.30	18.70
109	VILL 33	SF RES	5775	60	8.40	10.40
110	VILL 34	SF RES	4725	86	10.20	12.60
111	VILL 35	SF RES	5250	63	8.40	10.50
112	N/A	MDR	N/A	N/A	8.10	8.30
113	N/A	MDR	· N/A	N/A	11.30	12.40
114	N/A	MDR	N/A	N/A	6,50	7.90
115	N/A	MDR	N/A	N/A	13.50	14,30
116	N/A	HDR	N/A	N/A	6.40	7.60
117	N/A	HDR	N/A	N/A	6.90	7.60
118	N/A	HDR	N/A	N/A	8.20_	8.40
119	N/A	ES	N/A	N/A	9.83	9.83
120	N/A	ES	N/A	N/A	5.00	5.00
121,	N/A	DAYCARE	. N/A	N/A	1.04	1.44
122	N/A	ı	N/A	N/A	1.00	1.37
123	N/A	COMM	N/A	N/A	2.78	3.45
124	N/A	PARK	N/A	N/A	2.04	2.04
125	N/A	PARK	N/A	N/A	42.14	42.14
126	N/A	PARK	N/A	. N/A	3.23	3.23
127	N/A	os	ΝA	. N/A	0.47	0.52
128	N/A	os	N/A	N/A	1.30	1.38
129	N/A	OS	N/A	N/A	8.21	8.85
130	N/A	os	N/A	N/A	10.34	11.13
131	N/A	DET. BASIN	N/A	N/A	8.04	8.68
132	N/A	ŌŜ	N/A	N/A	7.54	7.70
TAL FOR	REGENCY	PARK		1662	388.06	464.32
	ī	: 1				
TAL EOD	CFD 2001-0	3 :		1662	388.06	464.32







#### **EXHIBIT B**

### CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

#### LIST OF PROPERTY OWNERS

Name of Prperty Owner		County APN or Description of Property
Northpointe North LLC	: .	201-0310-017-0000
Northpointe North LLC	•	201-0310-018-0000
Northpointe North LLC	i i i i i i i i i i i i i i i i i i i	201-0320-022-0000
Northpointe Park LLC		201-0320-023-0000

# MEMORANDUM OF PROCEEDINGS TO BE CONSIDERED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO ON TUESDAY, JANUARY 22, 2002, IN CONNECTION WITH THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

On November 13, 2001, the City Council of the City of Sacramento initiated proceedings for the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 ("CFD 2001-03") by adopting its Resolution of Intention to Establish a Community Facilities District and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District and a Resolution Declaring its Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities in and for CFD No. 2001-03, and setting the public hearings for Tuesday, December 18, 2001.

On December 18, 2001, at the time and place as previously notified, the City Council opened the public hearings and heard all persons who wished to be heard, and at the close of the public hearings, the City Council found that there was no majority protest and adopted its Resolution Establishing CFD 2001-03 and Providing for the Levy of a Special Tax therein and its Resolution Declaring the Necessity to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of the Public Facilities and called a Special Election to be held on Tuesday, January 22, 2002.

The following are on file with the City Clerk:

- (a) Certificate Relative to Voters (Certificate [C-1]).
- (b) Certificate of City Clerk Re Waiver and Consent (Certificate [C-2]).
- (c) Waiver and Consent forms signed by the landowner (or its representative).
- (d) Letter of Consent of the landowner (or its representative) to change the Rate, Method of Apportionment and Manner of Collection of the Special Tax.
- (e) Affidavit of Delivery of Ballot for the Special Election (Affidavit [A-6]).
- (f) Ballot returned from the landowner (or its representative) (Ballot [B-1]).

It is in order for the City Council to consider the following items after the Special Election has been conducted and the City Clerk has canvassed the ballots:

#### A. <u>City Council Action Items</u>:

- 1. Adopt A Resolution of the City Council of the City of Sacramento Determining the Result of the Special Election Held in the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, on January 22, 2002 (Resolution [R-6]).
- 2. Introduce an Ordinance of the City Council of the City of Sacramento Levying a Special Tax for the Fiscal Year 2002-2003 and Following Fiscal Years Solely Within and Relating to the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03.

#### B. <u>Items To Be Filed With The City Clerk</u>:

- 1. Certificate of Election Results (Certificate [C-3]).
- 2. Certificate of Publishing the Title of Ordinance Levying a Special Tax (Certificate [C-4]).
- 3. Notice of Special Tax Lien.
- 4. Affidavit of Recording the Notice of Special Tax Lien (Affidavit [A-7]).

#### C. Additional Instructions for the City Clerk:

1. <u>Certificate of Election Results</u> (Certificate [C-3])

After canvassing the ballots, the City Clerk must complete and sign the Certificate of Election Results in triplicate, and shall keep the original in her files of proceedings and shall return two (2) copies to Orrick for the attention of Amy Wong.

2. <u>Certificate of Publishing the Title of Ordinance Levying a Special Tax</u> (Certificate [C-4]).

The title of the Ordinance Levying a Special Tax must be published at least three (3) days before the adoption of the Ordinance. After the publication, the City Clerk must complete and sign the Certificate of Publishing the Title of Ordinance Levying a Special Tax in triplicate, and shall keep the original in her files of proceedings and shall return two (2) copies to Orrick for the attention of Amy Wong.

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- 3. Notice of Special Tax Lien. The Notice of Special Tax Lien, with the Exhibits attached and dated and signed by the City Clerk, shall be recorded in the office of the County Recorder of the County of Sacramento as soon as possible, but no later than February 6, 2002. Please return a file-stamped copy of the recorded Notice of Special Tax Lien to Orrick for the attention of Amy Wong.
- 4. Affidavit of Recording the Notice of Special Tax Lien (Affidavit [A-7]). Please complete and sign in triplicate. Keep a copy in your files and return two (2) copies to Orrick for the attention of Amy Wong.
- 5. Please send two certified copies of each of the adopted Resolution Determining the Result of the Special Election (Resolution [R-6]) and the Ordinance Levying the Special Tax to Orrick for the attention of Amy Wong.

If you have any questions, please call:

Carlo Fowler, Bond Attorney (415) 773-5884 or Amy Wong, Project Manager, Public Finance (415) 773-4262 at ORRICK, HERRINGTON & SUTCLIFFE LLP

#### EXHIBIT A

### [ATTACH A COPY OF THE PROOF OF PUBLICATION OF THE TITLE OF THE ORDINANCE]

DEC 6 12 14 PM "01

~ SINCE 1911 ~

1115 H Street, P.O. Box 1048, Sacramento, California 95812 Telephone (916) 444-2355 • Fax (916) 444--0636

> SAC. CITY CLERK 915 I ST. #304 SACRAMENTO, CA - 95814

#### PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California County of Sacramento

Notice Type: .

GPHSA SAC CITY PUBLIC HEARING-1 PUB

Ad Description:

**AD NO 9379** 

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the DAILY RECORDER, a daily newspaper published in the English language in the City of Sacramento, County of Sacramento, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of Sacramento, State of California, under date May 2, 1913, Case No. 16,180. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

12/04/2001

Executed on: 12/04/2001 At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature

SC#: 326703

NOTICE OF THE PUBLIC HEARING ON THE RESCLUTION OF INTENTION TO INCUR A BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES

IN AND FOR THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

NOTICE IS HEREBY GIVEN that the City Council (the 'Council') of the City of Sacramento (the 'City') has duly adopted Resolution' on November, 132 2001, wherein it declared that 'the public convenience and necessity require and it is necessary under and pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the 'Act'), that a bonded indebtedness be incurred in the principal amount of twenty million dollars (\$20,000.00) to finance the acquisition and construction of those certain public facilities referred to in the Resolution (the 'Facilities') in and for a community facilities district referred to in the Resolution to be known as the 'City of Sacramento North Natomas Regency Park Community Facilities District'), which amount includes all costs and estimated costs incidental to or connected with the accomplishment of the purpose for which such bonded indebtedness is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual' obligations relating to expenses or the advancement of funds for expenses or the advancement of the bonds are issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any bonds of the Community Facilities District estimated to be due and payable within two (2) years of issuance of the bonds, including, but not limited to, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fee

incurring such bonded indebtedness to finance the acquisition and construction of the Facilities and to be secured by a special lax to be levied within the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that a more complete description of the Facilities proposed to be acquired and constructed in and for the Community Facilities District by the issuance of such bonded indebtedness and a description of the incidental expenses to be innanced by such bonded indebtedness and a description of the Incidental expenses to be innanced by such bonded indebtedness and a copy of the Resolution and the boundary map of the Resolution and a constitution of the City of Sacramento, telephone (916) 264-5628.

Dated: November 13, 2001 Valence A. Burrowes City Clark of the City of Sacramento

City Clerk of the City of Sacramento 12/04/01

SC- 326703#

#### **CITY OF SACRAMENTO**

AFFIDAVIT OF COMPLIANCE WITH THE REQUIREMENTS FOR
MAILING A NOTICE OF PUBLIC HEARING ON THE
RESOLUTION OF INTENTION TO ESTABLISH THE CITY OF SACRAMENTO
NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

STATE OF CALIFORNIA	)	
	)	SS
COUNTY OF SACRAMENTO	)	

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento; and

That, pursuant to Resolution No. 2001-741 (the "Resolution") adopted by the City Council of the City of Sacramento on November 13, 2001, she complied with the requirements for mailing a Notice of Public Hearing on the Resolution to Establish the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District"), as required by Section 12 of the Resolution, by causing a copy of such notice to be mailed on November 14, 2001, first class postage prepaid, to each property owner within the boundaries of

the Community Facilities District, and that attached hereto, marked Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of such notice in the form mailed.

City Clerk of the City of Sacramento

Subscribed and sworn to before me this 15th day of November, 2001.

NOTARY PUBLIC State of California

[Notarial Seal]



NOTICE OF THE PUBLIC HEARING ON THE RESOLUTION
OF INTENTION TO ESTABLISH THE CITY OF SACRAMENTO NORTH NATOMAS
REGENCY PARK COMMUNITY FACILITIES
DISTRICT NO. 2001-03 AND TO LEVY A SPECIAL TAX THEREIN
TO FINANCE THE ACQUISITION AND CONSTRUCTION OF
CERTAIN PUBLIC FACILITIES IN AND FOR SUCH
COMMUNITY FACILITIES DISTRICT

NOTICE IS HEREBY GIVEN that the Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 2001-741 (the "Resolution") on November 13, 2001, wherein (a) it declared its intention and proposed to establish a community facilities district under and pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the "Act"), in the North Natomas area of the City commonly known as Regency Park more particularly described in the Resolution, to be known and designated as the "City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03" (the "Community Facilities District"), for the purpose of financing the acquisition and construction of those certain public facilities listed in Exhibit A attached hereto and incorporated herein and made a part hereof (the "Facilities"), and wherein (b) it declared its intention to authorize the levy of a special tax in the Community Facilities District to finance the acquisition and construction of the Facilities, and that a description of the rate and method of apportionment of such special tax and the manner of collection of such special tax is attached hereto, labeled Exhibit B, and is incorporated herein and made a part hereof, which sets forth the rate, method of apportionment and manner of collection of such special tax in sufficient detail to allow each landowner or resident or registered elector within the Community Facilities District to estimate the maximum amount that such person will have to pay to finance the acquisition and construction of the Facilities, and which specifies the conditions under which the obligation to pay such special tax may be prepaid and permanently satisfied.

NOTICE IS HEREBY FURTHER GIVEN that the cost of financing the acquisition and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities, all as more particularly described in the Resolution.

NOTICE IS HEREBY FURTHER GIVEN that Tuesday, the 18th day of December, 2001, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council. City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council by the Resolution as the time and place for a public hearing to be held by the Council to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of such special tax and all other matters set forth in the Resolution, and at such public hearing any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the testimony of all interested persons, including all taxpayers, property owners and registered voters, for or against the establishment of the Community Facilities District and the levy, of such special tax, or the extent of the Community Facilities District, or the acquisition or construction of any of the Facilities proposed therefor, or the establishment of an appropriations limit therefor, or on any other matters set forth in the Resolution, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers or property owners or registered voters, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk of the City on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing.

NOTICE IS HEREBY FURTHER GIVEN that such public hearing may be continued from time to time, but shall be completed within thirty (30) days, except that if the Council finds that the complexity of the Community Facilities District or the need for public participation requires additional time, such public hearing may be continued from time to time for a period not to exceed six (6) months.

NOTICE IS HEREBY FURTHER GIVEN that the Council may at such public hearing modify the Resolution by eliminating any of the Facilities, or by changing the method and apportionment of such special tax so as to reduce the maximum special tax for all or a portion of the owners of property within the Community Facilities District or by removing any territory from the Community Facilities District, except that if the Council proposes to modify the Resolution in a way that will increase the probable special tax to be paid by the owner of any lot or parcel of land in the Community Facilities District, the Council shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of lots or parcels of land in the Community Facilities District, and the Council shall receive and consider such report before approving any such modifications or any resolution forming the Community Facilities District which includes such modifications.

NOTICE IS HEREBY FURTHER GIVEN that at the conclusion of such public hearing the Council may abandon the proposed establishment of the Community Facilities

2

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District or may, after passing upon all protests, determine to proceed with establishing the Community Facilities District; provided, that if fifty per cent (50%) or more of the registered voters residing within the territory proposed to be included in the Community Facilities District that are not exempt from the special tax or the owners of one-half (1/2) or more of the area of the land in the territory proposed to be included in the Community Facilities District that are not exempt from the special tax file written protests against the establishment of the Community Facilities District, and such protests are not withdrawn so as to reduce the value of the protests to less than such a majority, no further proceedings to establish the Community Facilities District or to levy such special tax shall be taken for a period of one (1) year from the date of such decision, except that if the majority protests of the registered voters or of the landowners are only against the furnishing of a specified type or types of any of the Facilities proposed for the Community Facilities District, those Facilities shall be eliminated from the resolution of formation of the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that if the Council determines at the conclusion of such public hearing to proceed with the establishment of the Community Facilities District, the proposed voting procedure shall be by landowners voting in accordance with the Act, as there are less than twelve (12) registered electors residing within the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that a complete description of the Facilities proposed to be acquired and constructed in and for the Community Facilities District and a copy of the Resolution and the boundary map of the Community Facilities District are on file with the City Clerk of the City of Sacramento, Sacramento City Hall, 915 I Street, Sacramento, California 95814, and are available for review there during business hours by any interested persons.

NOTICE IS HEREBY FURTHER GIVEN that questions concerning this notice should be directed to Ron Wicky, Department of Public Works, Special Districts Division, telephone (916) 264-5628.

DATED: November 13, 2001.

Valerie A. Burrowes

City Clerk of the City of Sacramento

#### EXHIBIT A

## City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 List of Eligible Facilities

The authorized costs of the eligible facilities include all those set forth in Section 53345.3 of the Mello-Roos Communities Facilities Act of 1983, and all costs necessary to administer any debt, collect and administer the special taxes, and administer the District. The special taxes may be levied not only to pay current debt service on outstanding debt, but also to accumulate funds for future debt service, to pay amounts delinquent on the debt (or to become delinquent based upon past special tax delinquencies), to replenish the reserve fund to its proper level (or to reimburse payments to be made from the reserve fund based upon past special tax delinquencies), to pay authorized costs, to pay directly for any authorized facilities or to accumulate funds for that purpose. Special tax proceeds may be accumulated to pay debt service on debt so long as such proceeds are handled in such a fashion as not to cause the debt to become arbitrage bonds under the Tax Reform Act of 1986.

The following list of eligible facilities is classified into two groups: Primary Facilities, and Secondary Facilities. Funding for Secondary Facilities may only be authorized with remaining proceeds of the bonds for the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "CFD") after Primary Facilities have been constructed, paid for and accepted fully by the City or all are substantially complete and sufficient security exists to the satisfaction of the City in accordance with the Acquisition Agreement for such completion.

The list of Secondary Facilities includes facilities that are scheduled to be funded by development fee programs such as the Public Facilities Fee Program ("PFF") and the citywide Park Fee Program ("CPFP") through which the property owners constructing the facilities will receive full reimbursement by way of development fee credits and/or cash reimbursements for the actual eligible costs of construction. Where actual eligible costs of a facility are funded through development fee credits or cash reimbursements from a development fee program, including the PFF, no further reimbursement shall occur through the use of CFD bond funds.

The CFD may also finance all or a portion of development fees to be paid to the City pursuant to development fee programs, and the City will, in turn, use the proceeds from such development fees to construct Secondary Facilities that were otherwise scheduled for funding from such programs. If development fees are financed in this manner and the property owner constructs the facility otherwise to have been funded by the development fee program, the development fee program will reimburse the property owner for the cost of such construction.

If the CFD finances all or a portion of the development fees to be paid to a development fee program, the City will acknowledge payment of such development fees by appropriate written document.

Secondary Facilities which are not included for funding in any development fee program, which includes reimbursement (through cash or through credit mechanisms), may be funded with bond proceeds.

#### Primary Facilities eligible to be financed by the CFD (not listed in any specific order):

Drainage facilities with Basin No. 3, as identified in the North Natomas Comprehensive Drainage Plan and as amended by basin specific Drainage Reports, including:

- Construction of detention basins, including excavation and landscaping.
- B. Construction of pump station and pipes, including intake, discharge and sitework.

- C. Construction of bridge, culverts and concrete headwalls required for roadway and pedestrian crossings for authorized facilities.
- D. Drainage channel improvements, including excavation and landscaping.
- E. Land acquisition for the detention basins, the buffer around the detention basin and the drainage channel, including banks.
- F. Trunk drain pipes, including manholes, which are defined as "common" trunk pipelines by the City.
- G. Habitat Conservation (HCP) fees for construction of Primary Facilities.
- H. Dewatering and measures to control groundwater during both construction and operation of the facilities.
- I. Engineering, construction staking, construction management, plan check and inspection, administrative and legal costs for Primary Facilities.

#### Secondary Facilities eligible to be financed by the CFD (not listed in any specific order):

- A. Trunk Drain pipes 36" and larger, including manholes, which are not considered "common" trunk pipeline by the City.
- B. Construction of the following roads as named, or if subsequently re-named, the new name, and other major roads that are eligible for funding under the guidelines set forth in the City's Policies and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing, as they may be amended from time to time:

Gateway North Boulevard from the future elementary school to Elkhorn Boulevard, Club Center Drive from East Drainage Canal to Eastern property boundary, Elkhorn Boulevard from Natomas Boulevard to the Eastern property boundary.

Improvements include clearing, grading, installing asphalt concrete with aggregate base, raised center median, median landscaping where appropriate, storm drainage facilities, street signs, streetlights, widening at intersections, corridor landscaping and soundwalls, major utility conduits, utility conduit crossing, right-of-way acquisition, and all necessary appurtenances to mentioned roads.

- C. Construction of sanitary sewer trunk and interceptor lines, including pipes, manholes, and all necessary appurtenances.
- D. Water transmission lines and necessary appurtenances.
- E. Neighborhood and community park landscaping, equipment, and facilities.
- F. Landscaping and soundwalls in landscape corridors, entry way signs and monuments in entry ways along Club Center Drive, Elkhorn Boulevard and Gateway North Boulevard.
- G. Public dry utilities (electric, telephone, natural gas, and CATV).
- H. Habitat Conservation (HCP) fees required for construction of Secondary Facilities.
- Engineering, construction staking, construction management, plan check and inspection, administrative and legal costs for Secondary Facilities.

#### EXHIBIT B

### CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

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

A Special Tax applicable to each Assessor's Parcel in the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (herein "CFD No. 2001-03") shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2001-03, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

- "Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.
- "Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the Government Code of the State of California.
- "Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to CFD No. 2001-03 and the Bonds, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements under the California Government Code with respect to the Bonds and the Special Tax, and all other costs and expenses of the City in any way related to the establishment or administration of CFD No. 2001-03.
- "Administrator" shall mean the person or firm designated by the City to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.
- "Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

- "Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.
- "Association Property" means any property within CFD No. 2001-03 that is owned by a homeowners' association or property owners' association. Notwithstanding the foregoing, if a homeowners' association owns the land area under the pad of a residential structure, the Administrator shall determine the acreage under the pad of the building, and such acreage shall be categorized as Medium Density Residential Property or High Density Residential Property, as appropriate, and shall not be designated as Association Property.
- "Average Lot Size" means, for all Single Family Residential Property within a particular Final Map, the average size of the Buildable Lots within that Final Map, which shall be calculated pursuant to Section B below.
- "Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2001-03 related to public infrastructure and/or improvements that will serve property included within CFD No. 2001-03.
- "Buildable Lot" means an individual lot of Single Family Residential Property within a Final Map for which a building permit may be issued without further subdivision of such lot.
- "Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.
- "City" means the City of Sacramento.
- "City Council" means the City Council of the City of Sacramento.
- "County" means the County of Sacramento.
- "Developed Property" means, in any Fiscal Year, the following:
  - All Parcels of Single Family Residential Property for which a Final Map was recorded prior to January 1 of the preceding Fiscal Year
  - All Parcels of Medium Density Residential Property and High Density Residential Property for which a building permit was issued for construction of a residential structure prior to January 1 of the preceding Fiscal Year
  - All Parcels of Other Property for which a building permit was issued prior to January 1 of the preceding Fiscal Year for construction of a structure on such Parcel
- "Development Plan" means the land uses planned for development on property within CFD No. 2001-03 and used in the calculation of the Maximum Special Taxes reflected in Section C below. The Development Plan is summarized in Attachment 1 of this Rate and Method of Apportionment of Special Tax.

- "Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq) that creates Buildable Lots. The term "Final Map" shall not include any large-lot subdivision map, Assessor's Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor's Parcels that are designated as remainder parcels.
- "Fiscal Year" means the period starting July 1 and ending on the following June 30.
- "High Density Residential Property" means any Parcel in CFD No. 2001-03 which is assigned a residential land use classification of High Density Residential (HD) in the North Natomas Community Plan and is not developed as Single Family Residential Property.
- "Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.
- "Medium Density Residential Property" means any Parcel in CFD No. 2001-03 which is assigned a residential land use classification of Medium Density Residential (MD) in the North Natomas Community Plan and is not developed as Single Family Residential Property.
- "North Natomas Community Plan" means the North Natomas Community Plan that was adopted by the City Council on May 3, 1994, amended by the City Council on April 16, 1996, and as may be further amended from time to time.
- "Other Property" means all Parcels of Taxable Property which are not Single Family Residential Property, Medium Density Residential Property or High Density Residential Property, as defined above.
- "Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property.
- "Public Property" means any property within the boundaries of CFD No. 2001-03 that is owned by the City, federal government, State of California or other local government or public agency.
- "Single Family Residential Property" means any Parcel on which a single family detached residential unit or duplex is constructed or expected to be constructed as determined by the City.
- "Special Tax" means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.
- "Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which are due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of

Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected (iv) to pay Administrative Expenses, and (v) to pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2001-03. The Special Tax Requirement may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Bond indenture, Bond resolution, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2001-03 which are not exempt from the Special Tax pursuant to law or Section G below.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property pursuant to the definition set forth in this Section A.

#### B. <u>DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX</u>

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for Taxable Property within the CFD. The Administrator shall also (i) determine whether each Parcel is Developed Property or Undeveloped Property, (ii) for Developed Property, determine whether each Parcel is Single Family Residential Property, Medium Density Residential Property, High Density Residential Property or Other Property, and (iii) calculate the Average Lot Size for Single Family Residential Property for each Final Map that was recorded in the prior Fiscal Year. Individually, for each recorded Final Map, the Average Lot Size shall be calculated pursuant to the following steps:

- Step 1. Determine how many Buildable Lots are included within the Final Map.
- Step 2. Add together the square footage of all Buildable Lots within the Final Map.
- Step 3. Divide the total square footage from Step 2 by the number of Buildable Lots determined in Step 1 to calculate the Average Lot Size for the Final Map.

#### C. MAXIMUM SPECIAL TAX

Table 1 below identifies the Maximum Special Tax for Taxable Property within CFD No. 2001-03:

# TABLE 1 REGENCY PARK CFD No. 2001-03 MAXIMUM SPECIAL TAXES (FISCAL YEAR 2002-03)

Type of Property	Average Lot Size	Maximum Special Tax Fiscal Year 2002-03 *
Single Family	Greater than or equal to	٠.
Residential Property	5,000 square feet	\$794 per Buildable Lot
Single Family	Less than	
Residential Property	5,000 square feet	\$595 per Buildable Lot
Medium Density		
Residential Property	N/A	\$4,167 per Acre
High Density		
Residential Property	N/A	\$5,691 per Acre
Other Property	N/A	\$5,691 per Acre
Undeveloped Property	N/A	\$5,990 per Acre

<sup>\*</sup> On July 1, 2003 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

Pursuant to Section 53321 (d) of the Act, the Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels in the CFD and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied. In no event shall Special Taxes be levied within CFD No. 2001-03 after Fiscal Year 2036-37.

#### D. AMENDMENTS TO THE DEVELOPMENT PLAN

The Maximum Special Taxes set forth in Table 1 above are calculated based on the number of Buildable Lots, the Average Lot Size of Buildable Lots, and the acreage of Medium Density Residential Property and High Density Residential Property that was anticipated at the time of formation of CFD No. 2001-03. If, in any future year, changes are made to the Development Plan that would result in a reduction in the Maximum Special Tax revenues that can be generated within the CFD, a mandatory prepayment shall be required to maintain debt service coverage covenants set forth in the Bond indenture. Each time a Final Map is submitted for approval to the City, the following steps shall be applied to determine if a mandatory prepayment is required:

Step 1: The Administrator shall calculate the Maximum Special Tax revenues that could be collected from the property affected by the proposed revision to the Development Plan (the "Affected Property") prior to the revision being approved assuming, for purposes of the calculation, that the property is fully developed with the land uses anticipated in the Development Plan.

- Step 2: The Administrator shall calculate the Maximum Special Tax revenues that could be collected from the Affected Property if the revision to the Development Plan is approved and the Affected Property is fully developed with the proposed land uses.
- Step 3: If the amount determined in Step 2 is higher than that calculated in Step 1, the revision to the Development Plan may be approved without requiring a mandatory prepayment and the Maximum Special Taxes identified in Section C above shall apply to Affected Property. If the amount calculated in Step 2 is less than the amount calculated in Step 1, one of the following must occur:
  - (a) The revision to the Development Plan is not approved by the City, or
  - (b) The landowner requesting the revision to the Development Plan prepays a portion of the Special Tax obligation that would have applied to the Affected Property prior to approval of the revision in an amount sufficient to retire a portion of the Bonds and maintain required debt service coverage with the reduced Maximum Special Tax revenues that will result after the revision to the Development Plan is approved. The required prepayment must be received prior to approval of Final Map and shall be calculated using the formula set forth in Section H below. If, for any reason, the required prepayment is not received prior to approval of the Final Map, no building permits will be issued for development of any property within the Final Map until the mandatory prepayment is received by the City.

Notwithstanding the foregoing, if a property owner proposes changes to the Development Plan that will cause a reduction of Maximum Special Tax revenues in one area of the CFD and an increase in Maximum Special Tax revenues in another area of the CFD, the City may, in its sole discretion, permit such a change to the Development Plan without a mandatory prepayment. Upon approval of the revision to the Development Plan, Attachment 1 to this Rate and Method of Apportionment of Special Tax shall be revised to reflect the new anticipated land uses within the CFD.

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

Commencing with Fiscal Year 2002-03 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

- Step 1. The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year, as determined pursuant to Section C above.
- Step 2. If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied

Proportionately on each Assessor's Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C above.

- Step 3: If additional revenue is needed after applying the first two steps, the Special Tax shall be levied Proportionately on each Parcel of Association Property within the CFD, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C above.
- Step 4. If additional revenue is needed after applying the first three steps, the Special Tax shall be levied Proportionately on each Parcel of Public Property within the CFD that is Taxable Property, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year determined pursuant to Section C above.

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

The Special Taxes for CFD No. 2001-03 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Taxes proceeds have been completed. However, in no event shall Special Taxes be levied after Fiscal Year 2036-2037.

#### G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

#### H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"Remaining Facilities Costs" means the Public Facilities Requirement minus public facility costs funded by Outstanding Bonds, developer equity and/or any other source of funding.

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

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

"Public Facilities Requirements" means either \$14,600,000 in 2002 dollars, which shall increase on January 1, 2003, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such lower number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by CFD No. 2001-03.

The Special Tax obligation applicable to an Assessor's Parcel in CFD No. 2001-03 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

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

**Bond Redemption Amount** 

plus Remaining Facilities Amount

plus Redemption Premium
plus Defeasance Requirement

plus Administrative Fees and Expenses

<u>less</u> <u>Reserve Fund Credit</u> equals <u>Prepayment Amount</u>

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

Step 1. Compute the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City. If this Section H is being applied to effect a mandatory prepayment pursuant to Section D above, use, for purposes of this Step 1, the amount by which the Maximum Special Tax revenues have been reduced due to the change in the Development Plan that required the mandatory prepayment.

- Step 2. Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the lesser of (i) the Maximum Special Tax revenues that could be collected in that Fiscal Year from property in the entire CFD, or (ii) the Maximum Special Tax revenues that could be generated at buildout of property in the CFD based on anticipated land uses at the time the prepayment is calculated.
- Step 3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
- Step 4. Compute the current Remaining Facilities Costs (if any).
- Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (the "Remaining Facilities Amount").
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.
- Step 8: Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9: Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the "Defeasance Requirement").
- Step 10. The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
- Step 11. If and to the extent so provided in the Bond indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit").

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

#### I. INTERPRETATION OF SPECIAL TAX FORMULA

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rates, method of apportionment, classification of properties or any definition applicable to the CFD.

#### J. APPEALS

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City Special Districts Section and City Treasurer's Office appealing the levy of the Special Tax. The City shall then promptly review the appeal and, if necessary, meet with the applicant. If the City verifies that the Special Tax should be modified, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

#### **ATTACHMENT 1**

#### Regency Park **Summary of Development Plan**

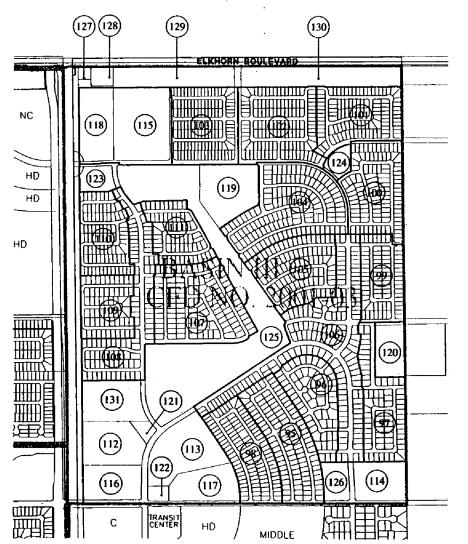
Village/ Key Number *	Expected Land Use **	Average Lot Size.	Number of Single Family Residential Units	Net Acres
Vill 20, Key #95	SFR	>= 5,000 sf	100	14.2
Vill 21, Key #96	SFR	>= 5,000 sf	58	10.8
Vill 22, Key #97	SFR	>= 5,000  sf	69	11.0
Vill 23, Key #98	SFR	< 5,000 sf	99	11.6
Vill 24, Key #99	SFR	>= 5,000  sf	73	9.2
Vill 25, Key #100	SFR	>= 5,000 sf	101	13.5
Vill 26, Key #101	SFR	< 5,000 sf	105	12.5
Vill 27, Key #102	SFR	< 5,000 sf	125	14.7
Vill 28, Key #103	SFR	< 5,000 sf	119	12.2
Vill 29, Key #104	SFR	>= 5,000 sf	134	19.3
Vill 30, Key #105	SFR	>= 5,000 sf	94	13.5
Vill 30A, Key #106	SFR	>= 5,000 sf	144	23.6
Vill 31, Key #107	SFR	>= 5,000 sf	107	17.0
Vill 32, Key #108	SFR	>= 5,000 sf	94	13.3
Vill 33, Key #109	SFR	>= 5,000 sf	60	8.4
Vill 34, Key #110	SFR	< 5,000 sf	86	10.2
Vill 35, Key #111	SFR	>= 5,000 sf	63	8.4
Key #112	MDR	N/A	N/A	8.1
Key #113	MDR	N/A	N/A	11.3
Key #114	MDR	N/A	N/A	6.5
Key #115	MDR	N/A	N/A	13.5
Key #116	HDR	N/A	N/A	6.4
Key #117	HDR	N/A	N/A	6.9
Key #118	HDR	N/A	- N/A	8.2

See Page 2 of this Attachment 1 for the geographic area identified by each key number and village designation
 \*\* SFD = Single Family Residential, MDR = Medium Density Residential, HDR = High Density Residential

Source of Data: Wood Rodgers, Inc., October 2001

### CFD NO. 2001-03 LAND USE/ACREAGE EXHIBIT

**NORTH NATOMAS COMMUNITY** OCTOBER 2001



#### CFD NO. 2001-03

KEY NUMBER	NAME	LAND USE	TYPICAL LOT SIZE	UNITS	NET ACRES	GROSS ACRES
95	VILL 20	SF RES	5775	100	14.20	18.00
96	VILL 21	SF RES	6825	58	10.80	13.40
97	VILL 22	SF RES	6300	69	11.00	14.00
98	VILL 23	SF RES	4725	99	11.60	14.70
99	VILL 24	SF RES	5250	73	9.20	11.80
100	VILL 25	SF RES	5250	101	13.50	17.10
101	VILL 26	SF RES	4725	105	12.50	15.80
102	VILL 27	SF RES	4725	125	14.70	19.60
103	VILL 28	SF RES	4200	119	12.20	16.60
104	VILL 29	SF RES	5775	134	19.30	24.70
105	VILL 30	SF RES	5775	94	13.50	16.50
106	VILL 30A	SF RES	VARIES	144	23.60	32.60
107	VILL 31	SF RES	6300	107	17.00	22.30
108	VILL 32	SF RES	VARIES	94	13.30	18.70
109	VILL 33	SF RES	5775	60	8.40	10.40
110	VILL 34	SF RES	4725	88	10.20	12.60
111	VILL 35	SF RES	5250	63	8.40	10.50
112	N/A	MDR	N/A	N/A	8.10	8.30
113	N/A	MDR	N/A	N/A	11.30	12.40
114	N/A	MDR	N/A	N/A	6.50	7.90
115	N/A	MDR	N/A	NA	13.50	14.30
116	N/A	HDR	N/A	N/A	6.40	7.60
117	N/A	HDR	N/A	N/A	6.90	7.60
118	N/A	HDR	N/A	N/A	8.20	8.40
119	N/A	ËS	N/A	N/A	9.83	9.63
120	N/A	ES	N/A	N/A	5.00	5.00
121	N/A	DAYCARE	N/A	N/A	1.04	1.44
122	N/A	1	N/A	N/A	1.00	1.37
123	N/A	COMM	N/A	N/A	2.78	3.45
124	N/A	PARK	N/A	N/A	2.04	2.04
125	N/A	PARK	N/A	N/A	42.14	42.14
126	N/A	PARK	N/A	NA	3.23	3.23
127	N/A	OS	N/A	N/A	0.47	0.52
128	N/A	os	N/A	N/A	1.30	1.38
129	N/A	os	N/A	N/A	8.21	8.85
130	N/A	OS	N/A	N/A	10.34	11,13
131	N/A	DET. BASIN	N/A	N/A	8.04	8.68
132	NA	os	N/A	N/A	7.54	7.70
TAL FOR F	EGENCY F	ARK		1631	387.26	462.56





WDDD RDDGERSING

#### CITY OF SACRAMENTO

AFFIDAV.	IT OF REC	CORDING T	HE BOU	INDARY	MAP OF	THE C	ITY OF	SACRA	MENTO
NORTH NA	ATOMAS	REGENCY	PARK C	OMMUN	TTY FAC	CILITIES	DISTR	ICT NO.	. 2001-03

STATE OF CALIFORNIA ) ss. COUNTY OF SACRAMENTO )

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento;

City Clerk of the City of Sacra

Subscribed and sworn to before me this 15th day of November, 2001.

NOTARY PUBLIC

State of California

[Notarial Seal]

N. C. ALLEN
COMM. #1276893
Notary Public-California
SACRAMENTO COUNTY
My Comm. Exp. October 12, 2004

#### CITY OF SACRAMENTO

AFFIDAVIT OF COMPLIANCE WITH
THE REQUIREMENTS FOR PUBLISHING
A NOTICE OF PUBLIC HEARING ON THE
RESOLUTION OF INTENTION TO ESTABLISH THE
CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

STATE OF CALIFORNIA	)	
	)	SS
COUNTY OF SACRAMENTO	)	

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento:

That, pursuant to Resolution No. 2001-741 (the "Resolution") adopted by the City Council of the City of Sacramento on November 13, 2001, she complied with the requirements for publishing a Notice of Public Hearing on the Resolution to Establish the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District"), as required by Section 12 of the Resolution, by causing a copy of such notice to be published once in the *Daily Recorder*, a newspaper of general circulation circulated in the area of the Community Facilities District, and that attached hereto, marked Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of an affidavit of publication on file in

her office showing that such notice as annexed to said affidavit was duly published one time on November **90**, 2001.

ity Clerk of the City

Sacramento, CA

Subscribed and sworn to before me this 4th day of November, 2001.

NOTARY PUBLIC

State of California

[Notarial Seal]

N. C. ALLEN
COMM. #1276893
Notary Public-California
SACRAMENTO COUNTY
Comm. Exp. October 12, 2004

NOTICE OF THE PUBLIC HEARING ON THE RESOLUTION
OF INTENTION TO ESTABLISH THE CITY OF SACRAMENTO NORTH NATOMAS
REGENCY PARK COMMUNITY FACILITIES
DISTRICT NO. 2001-03 AND TO LEVY A SPECIAL TAX THEREIN
TO FINANCE THE ACQUISITION AND CONSTRUCTION OF
CERTAIN PUBLIC FACILITIES IN AND FOR SUCH
COMMUNITY FACILITIES DISTRICT

NOTICE IS HEREBY GIVEN that the Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 2001-741 (the "Resolution") on November 13, 2001, wherein (a) it declared its intention and proposed to establish a community facilities district under and pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the "Act"), in the North Natomas area of the City commonly known as Regency Park more particularly described in the Resolution, to be known and designated as the "City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03" (the "Community Facilities District"), for the purpose of financing the acquisition and construction of those certain public facilities listed in Exhibit A attached hereto and incorporated herein and made a part hereof (the "Facilities"), and wherein (b) it declared its intention to authorize the levy of a special tax in the Community Facilities District to finance the acquisition and construction of the Facilities, and that a description of the rate and method of apportionment of such special tax and the manner of collection of such special tax is attached hereto, labeled Exhibit B, and is incorporated herein and made a part hereof, which sets forth the rate, method of apportionment and manner of collection of such special tax in sufficient detail to allow each landowner or resident or registered elector within the Community Facilities District to estimate the maximum amount that such person will have to pay to finance the acquisition and construction of the Facilities, and which specifies the conditions under which the obligation to pay such special tax may be prepaid and permanently satisfied.

NOTICE IS HEREBY FURTHER GIVEN that the cost of financing the acquisition and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities, all as more particularly described in the Resolution.

NOTICE IS HEREBY FURTHER GIVEN that Tuesday, the 18th day of December, 2001, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council by the Resolution as the time and place for a public hearing to be held by the Council to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of such special tax and all other matters set forth in the Resolution, and at such public hearing any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the testimony of all interested persons, including all taxpayers, property owners and registered voters, for or against the establishment of the Community Facilities District and the levy, of such special tax, or the extent of the Community Facilities District, or the acquisition or construction of any of the Facilities proposed therefor, or the establishment of an appropriations limit therefor, or on any other matters set forth in the Resolution, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers or property owners or registered voters, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk of the City on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing.

NOTICE IS HEREBY FURTHER GIVEN that such public hearing may be continued from time to time, but shall be completed within thirty (30) days, except that if the Council finds that the complexity of the Community Facilities District or the need for public participation requires additional time, such public hearing may be continued from time to time for a period not to exceed six (6) months.

NOTICE IS HEREBY FURTHER GIVEN that the Council may at such public hearing modify the Resolution by eliminating any of the Facilities, or by changing the method and apportionment of such special tax so as to reduce the maximum special tax for all or a portion of the owners of property within the Community Facilities District or by removing any territory from the Community Facilities District, except that if the Council proposes to modify the Resolution in a way that will increase the probable special tax to be paid by the owner of any lot or parcel of land in the Community Facilities District, the Council shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of lots or parcels of land in the Community Facilities District, and the Council shall receive and consider such report before approving any such modifications or any resolution forming the Community Facilities District which includes such modifications.

NOTICE IS HEREBY FURTHER GIVEN that at the conclusion of such public hearing the Council may abandon the proposed establishment of the Community Facilities

District or may, after passing upon all protests, determine to proceed with establishing the Community Facilities District; provided, that if fifty per cent (50%) or more of the registered voters residing within the territory proposed to be included in the Community Facilities District that are not exempt from the special tax or the owners of one-half (1/2) or more of the area of the land in the territory proposed to be included in the Community Facilities District that are not exempt from the special tax file written protests against the establishment of the Community Facilities District, and such protests are not withdrawn so as to reduce the value of the protests to less than such a majority, no further proceedings to establish the Community Facilities District or to levy such special tax shall be taken for a period of one (1) year from the date of such decision, except that if the majority protests of the registered voters or of the landowners are only against the furnishing of a specified type or types of any of the Facilities proposed for the Community Facilities District, those Facilities shall be eliminated from the resolution of formation of the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that if the Council determines at the conclusion of such public hearing to proceed with the establishment of the Community Facilities District, the proposed voting procedure shall be by landowners voting in accordance with the Act, as there are less than twelve (12) registered electors residing within the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that a complete description of the Facilities proposed to be acquired and constructed in and for the Community Facilities District and a copy of the Resolution and the boundary map of the Community Facilities District are on file with the City Clerk of the City of Sacramento, Sacramento City Hall, 915 I Street, Sacramento, California 95814, and are available for review there during business hours by any interested persons.

NOTICE IS HEREBY FURTHER GIVEN that questions concerning this notice should be directed to Ron Wicky, Department of Public Works, Special Districts Division, telephone (916) 264-5628.

DATED: November 13, 2001.

Valerie A. Burrowes

City Clerk of the City of Sacramento

#### **EXHIBIT A**

#### City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 List of Eligible Facilities

The authorized costs of the eligible facilities include all those set forth in Section 53345.3 of the Mello-Roos Communities Facilities Act of 1983, and all costs necessary to administer any debt, collect and administer the special taxes, and administer the District. The special taxes may be levied not only to pay current debt service on outstanding debt, but also to accumulate funds for future debt service, to pay amounts delinquent on the debt (or to become delinquent based upon past special tax delinquencies), to replenish the reserve fund to its proper level (or to reimburse payments to be made from the reserve fund based upon past special tax delinquencies), to pay authorized costs, to pay directly for any authorized facilities or to accumulate funds for that purpose. Special tax proceeds may be accumulated to pay debt service on debt so long as such proceeds are handled in such a fashion as not to cause the debt to become arbitrage bonds under the Tax Reform Act of 1986.

The following list of eligible facilities is classified into two groups: Primary Facilities, and Secondary Facilities. Funding for Secondary Facilities may only be authorized with remaining proceeds of the bonds for the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "CFD") after Primary Facilities have been constructed, paid for and accepted fully by the City or all are substantially complete and sufficient security exists to the satisfaction of the City in accordance with the Acquisition Agreement for such completion.

The list of Secondary Facilities includes facilities that are scheduled to be funded by development fee programs such as the Public Facilities Fee Program ("PFF") and the citywide Park Fee Program ("CPFP") through which the property owners constructing the facilities will receive full reimbursement by way of development fee credits and/or cash reimbursements for the actual eligible costs of construction. Where actual eligible costs of a facility are funded through development fee credits or cash reimbursements from a development fee program, including the PFF, no further reimbursement shall occur through the use of CFD bond funds.

The CFD may also finance all or a portion of development fees to be paid to the City pursuant to development fee programs, and the City will, in turn, use the proceeds from such development fees to construct Secondary Facilities that were otherwise scheduled for funding from such programs. If development fees are financed in this manner and the property owner constructs the facility otherwise to have been funded by the development fee program, the development fee program will reimburse the property owner for the cost of such construction.

If the CFD finances all or a portion of the development fees to be paid to a development fee program, the City will acknowledge payment of such development fees by appropriate written document.

Secondary Facilities which are not included for funding in any development fee program, which includes reimbursement (through cash or through credit mechanisms), may be funded with bond proceeds.

#### Primary Facilities eligible to be financed by the CFD (not listed in any specific order):

Drainage facilities with Basin No. 3, as identified in the North Natomas Comprehensive Drainage Plan and as amended by basin specific Drainage Reports, including:

- A. Construction of detention basins, including excavation and landscaping.
- B. Construction of pump station and pipes, including intake, discharge and sitework.

- C. Construction of bridge, culverts and concrete headwalls required for roadway and pedestrian crossings for authorized facilities.
- D. Drainage channel improvements, including excavation and landscaping.
- E. Land acquisition for the detention basins, the buffer around the detention basin and the drainage channel, including banks.
- F. Trunk drain pipes, including manholes, which are defined as "common" trunk pipelines by the City.
- G. Habitat Conservation (HCP) fees for construction of Primary Facilities.
- H. Dewatering and measures to control groundwater during both construction and operation of the facilities.
- I. Engineering, construction staking, construction management, plan check and inspection, administrative and legal costs for Primary Facilities.

#### Secondary Facilities eligible to be financed by the CFD (not listed in any specific order):

- A. Trunk Drain pipes 36" and larger, including manholes, which are not considered "common" trunk pipeline by the City.
- B. Construction of the following roads as named, or if subsequently re-named, the new name, and other major roads that are eligible for funding under the guidelines set forth in the City's Policies and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing, as they may be amended from time to time:

Gateway North Boulevard from the future elementary school to Elkhorn Boulevard, Club Center Drive from East Drainage Canal to Eastern property boundary, Elkhorn Boulevard from Natomas Boulevard to the Eastern property boundary.

Improvements include clearing, grading, installing asphalt concrete with aggregate base, raised center median, median landscaping where appropriate, storm drainage facilities, street signs, streetlights, widening at intersections, corridor landscaping and soundwalls, major utility conduits, utility conduit crossing, right-of-way acquisition, and all necessary appurtenances to mentioned roads.

- C. Construction of sanitary sewer trunk and interceptor lines, including pipes, manholes, and all necessary appurtenances.
- D. Water transmission lines and necessary appurtenances.
- E. Neighborhood and community park landscaping, equipment, and facilities.
- F. Landscaping and soundwalls in landscape corridors, entry way signs and monuments in entry ways along Club Center Drive, Elkhorn Boulevard and Gateway North Boulevard.
- G. Public dry utilities (electric, telephone, natural gas, and CATV).
- H. Habitat Conservation (HCP) fees required for construction of Secondary Facilities.
- I. Engineering, construction staking, construction management, plan check and inspection, administrative and legal costs for Secondary Facilities.

#### **EXHIBIT B**

### CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

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

A Special Tax applicable to each Assessor's Parcel in the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (herein "CFD No. 2001-03") shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2001-03, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

- "Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.
- "Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the Government Code of the State of California.
- "Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to CFD No. 2001-03 and the Bonds, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements under the California Government Code with respect to the Bonds and the Special Tax, and all other costs and expenses of the City in any way related to the establishment or administration of CFD No. 2001-03.
- "Administrator" shall mean the person or firm designated by the City to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.
- "Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

- "Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.
- "Association Property" means any property within CFD No. 2001-03 that is owned by a homeowners' association or property owners' association. Notwithstanding the foregoing, if a homeowners' association owns the land area under the pad of a residential structure, the Administrator shall determine the acreage under the pad of the building, and such acreage shall be categorized as Medium Density Residential Property or High Density Residential Property, as appropriate, and shall not be designated as Association Property.
- "Average Lot Size" means, for all Single Family Residential Property within a particular Final Map, the average size of the Buildable Lots within that Final Map, which shall be calculated pursuant to Section B below.
- "Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2001-03 related to public infrastructure and/or improvements that will serve property included within CFD No. 2001-03.
- "Buildable Lot" means an individual lot of Single Family Residential Property within a Final Map for which a building permit may be issued without further subdivision of such lot.
- "Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.
- "City" means the City of Sacramento.
- "City Council" means the City Council of the City of Sacramento.
- "County" means the County of Sacramento.
- "Developed Property" means, in any Fiscal Year, the following:
  - All Parcels of Single Family Residential Property for which a Final Map was recorded prior to January 1 of the preceding Fiscal Year
  - All Parcels of Medium Density Residential Property and High Density Residential Property for which a building permit was issued for construction of a residential structure prior to January 1 of the preceding Fiscal Year
  - All Parcels of Other Property for which a building permit was issued prior to January
     1 of the preceding Fiscal Year for construction of a structure on such Parcel
- "Development Plan" means the land uses planned for development on property within CFD No. 2001-03 and used in the calculation of the Maximum Special Taxes reflected in Section C below. The Development Plan is summarized in Attachment 1 of this Rate and Method of Apportionment of Special Tax.

- "Final Map" means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq) that creates Buildable Lots. The term "Final Map" shall not include any large-lot subdivision map, Assessor's Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor's Parcels that are designated as remainder parcels.
- "Fiscal Year" means the period starting July 1 and ending on the following June 30.
- "High Density Residential Property" means any Parcel in CFD No. 2001-03 which is assigned a residential land use classification of High Density Residential (HD) in the North Natomas Community Plan and is not developed as Single Family Residential Property.
- "Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.
- "Medium Density Residential Property" means any Parcel in CFD No. 2001-03 which is assigned a residential land use classification of Medium Density Residential (MD) in the North Natomas Community Plan and is not developed as Single Family Residential Property.
- "North Natomas Community Plan" means the North Natomas Community Plan that was adopted by the City Council on May 3, 1994, amended by the City Council on April 16, 1996, and as may be further amended from time to time.
- "Other Property" means all Parcels of Taxable Property which are not Single Family Residential Property, Medium Density Residential Property or High Density Residential Property, as defined above.
- "Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property.
- "Public Property" means any property within the boundaries of CFD No. 2001-03 that is owned by the City, federal government, State of California or other local government or public agency.
- "Single Family Residential Property" means any Parcel on which a single family detached residential unit or duplex is constructed or expected to be constructed as determined by the City.
- "Special Tax" means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.
- "Special Tax Requirement" means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which are due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of

Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected (iv) to pay Administrative Expenses, and (v) to pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2001-03. The Special Tax Requirement may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Bond indenture, Bond resolution, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2001-03 which are not exempt from the Special Tax pursuant to law or Section G below.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property pursuant to the definition set forth in this Section A.

#### B. DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for Taxable Property within the CFD. The Administrator shall also (i) determine whether each Parcel is Developed Property or Undeveloped Property, (ii) for Developed Property, determine whether each Parcel is Single Family Residential Property, Medium Density Residential Property, High Density Residential Property or Other Property, and (iii) calculate the Average Lot Size for Single Family Residential Property for each Final Map that was recorded in the prior Fiscal Year. Individually, for each recorded Final Map, the Average Lot Size shall be calculated pursuant to the following steps:

- Step 1. Determine how many Buildable Lots are included within the Final Map.
- Step 2. Add together the square footage of all Buildable Lots within the Final Map.
- Step 3. Divide the total square footage from Step 2 by the number of Buildable Lots determined in Step 1 to calculate the Average Lot Size for the Final Map.

#### C. MAXIMUM SPECIAL TAX

Table 1 below identifies the Maximum Special Tax for Taxable Property within CFD No. 2001-03:

## TABLE 1 REGENCY PARK CFD No. 2001-03 MAXIMUM SPECIAL TAXES (FISCAL YEAR 2002-03)

Type of Property	Average Lot Size	Maximum Special Tax Fiscal Year 2002-03 *
Single Family	Greater than or equal to	
Residential Property	5,000 square feet	\$794 per Buildable Lot
Single Family	Less than	ii ii
Residential Property	5,000 square feet	\$595 per Buildable Lot
Medium Density		
Residential Property	N/A	\$4,167 per Acre
High Density		
Residential Property	N/A	\$5,691 per Acre
Other Property	N/A	\$5,691 per Acre
Undeveloped Property	N/A	\$5,990 per Acre

<sup>\*</sup> On July 1, 2003 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

Pursuant to Section 53321 (d) of the Act, the Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels in the CFD and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied. In no event shall Special Taxes be levied within CFD No. 2001-03 after Fiscal Year 2036-37.

#### D. <u>AMENDMENTS TO THE DEVELOPMENT PLAN</u>

The Maximum Special Taxes set forth in Table 1 above are calculated based on the number of Buildable Lots, the Average Lot Size of Buildable Lots, and the acreage of Medium Density Residential Property and High Density Residential Property that was anticipated at the time of formation of CFD No. 2001-03. If, in any future year, changes are made to the Development Plan that would result in a reduction in the Maximum Special Tax revenues that can be generated within the CFD, a mandatory prepayment shall be required to maintain debt service coverage covenants set forth in the Bond indenture. Each time a Final Map is submitted for approval to the City, the following steps shall be applied to determine if a mandatory prepayment is required:

Step 1: The Administrator shall calculate the Maximum Special Tax revenues that could be collected from the property affected by the proposed revision to the Development Plan (the "Affected Property") prior to the revision being approved assuming, for purposes of the calculation, that the property is fully developed with the land uses anticipated in the Development Plan.

- Step 2: The Administrator shall calculate the Maximum Special Tax revenues that could be collected from the Affected Property if the revision to the Development Plan is approved and the Affected Property is fully developed with the proposed land uses.
- Step 3: If the amount determined in Step 2 is higher than that calculated in Step 1, the revision to the Development Plan may be approved without requiring a mandatory prepayment and the Maximum Special Taxes identified in Section C above shall apply to Affected Property. If the amount calculated in Step 2 is less than the amount calculated in Step 1, one of the following must occur:
  - (a) The revision to the Development Plan is not approved by the City, or
  - (b) The landowner requesting the revision to the Development Plan prepays a portion of the Special Tax obligation that would have applied to the Affected Property prior to approval of the revision in an amount sufficient to retire a portion of the Bonds and maintain required debt service coverage with the reduced Maximum Special Tax revenues that will result after the revision to the Development Plan is approved. The required prepayment must be received prior to approval of Final Map and shall be calculated using the formula set forth in Section H below. If, for any reason, the required prepayment is not received prior to approval of the Final Map, no building permits will be issued for development of any property within the Final Map until the mandatory prepayment is received by the City.

Notwithstanding the foregoing, if a property owner proposes changes to the Development Plan that will cause a reduction of Maximum Special Tax revenues in one area of the CFD and an increase in Maximum Special Tax revenues in another area of the CFD, the City may, in its sole discretion, permit such a change to the Development Plan without a mandatory prepayment. Upon approval of the revision to the Development Plan, Attachment 1 to this Rate and Method of Apportionment of Special Tax shall be revised to reflect the new anticipated land uses within the CFD.

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

Commencing with Fiscal Year 2002-03 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

- Step 1. The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year, as determined pursuant to Section C above.
- Step 2. If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied

Proportionately on each Assessor's Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C above.

- Step 3: If additional revenue is needed after applying the first two steps, the Special Tax shall be levied Proportionately on each Parcel of Association Property within the CFD, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C above.
- Step 4. If additional revenue is needed after applying the first three steps, the Special Tax shall be levied Proportionately on each Parcel of Public Property within the CFD that is Taxable Property, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year determined pursuant to Section C above.

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

The Special Taxes for CFD No. 2001-03 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Taxes proceeds have been completed. However, in no event shall Special Taxes be levied after Fiscal Year 2036-2037.

#### G. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

#### H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"Remaining Facilities Costs" means the Public Facilities Requirement minus public facility costs funded by Outstanding Bonds, developer equity and/or any other source of funding.

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

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

"Public Facilities Requirements" means either \$14,600,000 in 2002 dollars, which shall increase on January 1, 2003, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such lower number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by CFD No. 2001-03.

The Special Tax obligation applicable to an Assessor's Parcel in CFD No. 2001-03 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

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

**Bond Redemption Amount** 

plus Remaining Facilities Amount

plus Redemption Premium

plus Defeasance Requirement

plus Administrative Fees and Expenses

<u>less</u> <u>Reserve Fund Credit</u> equals Prepayment Amount

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

Step 1. Compute the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City. If this Section H is being applied to effect a mandatory prepayment pursuant to Section D above, use, for purposes of this Step 1, the amount by which the Maximum Special Tax revenues have been reduced due to the change in the Development Plan that required the mandatory prepayment.

- Step 2. Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the lesser of (i) the Maximum Special Tax revenues that could be collected in that Fiscal Year from property in the entire CFD, or (ii) the Maximum Special Tax revenues that could be generated at buildout of property in the CFD based on anticipated land uses at the time the prepayment is calculated.
- Step 3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
- Step 4. Compute the current Remaining Facilities Costs (if any).
- Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (the "Remaining Facilities Amount").
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.
- Step 8: Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9: Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the "Defeasance Requirement").
- Step 10. The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
- Step 11. If and to the extent so provided in the Bond indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit").

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

#### I. INTERPRETATION OF SPECIAL TAX FORMULA

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rates, method of apportionment, classification of properties or any definition applicable to the CFD.

#### J. <u>APPEALS</u>

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the City Special Districts Section and City Treasurer's Office appealing the levy of the Special Tax. The City shall then promptly review the appeal and, if necessary, meet with the applicant. If the City verifies that the Special Tax should be modified, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

#### **ATTACHMENT 1**

#### Regency Park Summary of Development Plan

Village/ Key Number *	Expected Land Use **	Average Lot Size	Number of Single Family Residential Units	Net Acres
Vill 20, Key #95	SFR	>= 5,000 sf	100	14.2
Vill 21, Key #96	SFR	>= 5,000  sf	58	10.8
Vill 22, Key #97	SFR	>= 5,000  sf	69	11.0
Vill 23, Key #98	SFR	< 5,000 sf	99	11.6
Vill 24, Key #99	SFR	>= 5,000  sf	73	9.2
Vill 25, Key #100	SFR	>= 5,000  sf	101	13.5
Vill 26, Key #101	SFR	< 5,000 sf	105	12.5
Vill 27, Key #102	SFR	< 5,000 sf	125	14.7
Vill 28, Key #103	SFR	< 5,000 sf	119	12.2
Vill 29, Key #104	SFR	>= 5,000 sf	134	19.3
Vill 30, Key #105	SFR	>= 5,000 sf	94	13.5
Vill 30A, Key #106	SFR	>= 5,000  sf	144	23.6
Vill 31, Key #107	SFR	>= 5,000 sf	107	17.0
Vill 32, Key #108	SFR	>= 5,000 sf	94	13.3
Vill 33, Key #109	SFR	>= 5,000 sf	60	8.4
Vill 34, Key #110	SFR	< 5,000 sf	86	10.2
Vill 35, Key #111	SFR	>= 5,000 sf	63	8.4
Key #112	MDR	N/A	N/A	8.1
Key #113	MDR	N/A	N/A	11.3
Key #114	MDR	N/A	N/A	6.5
Key #115	, MDR	N/A	N/A	13.5
Key #116	HDR	N/A	N/A	6.4
Key #117	HDR	N/A	N/A	6.9
Key #118	HDR	N/A	N/A	8.2

<sup>\*</sup> See Page 2 of this Attachment 1 for the geographic area identified by each key number and village designation

Source of Data: Wood Rodgers, Inc., October 2001

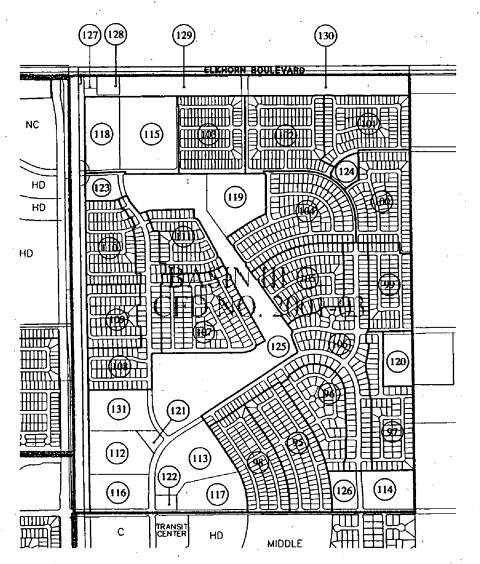
<sup>\*\*</sup> SFD = Single Family Residential, MDR = Medium Density Residential, HDR = High Density Residential

# ATTACHMENT

#### CFD NO. 2001-03 LAND USE/ACREAGE EXHIBIT

NORTH NATOMAS COMMUNITY

OCTOBER 2001 -



#### CFD NO. 2001-03

KEY	NAME	LAND	TYPICAL	UNITS	NET	GROSS
NUMBER		USE	LOT SIZE	·	ACRES	ACRES
95	VILL 20	SF RES	5775	100	<sup>3</sup> 14.20	18.00
96	VILL 21	SF RES	6825	58	10.80	13.40
97	VILL 22	SF RES	6300	69	11.00	14.00
. 98	VILL 23	SF RES	4725	99	11.60	14.70
99	VILL 24	SF RES	5250	73	9.20	11.80
100	VILL 25	SF RES	5250	101	13.50	17.10
101	VILL 26	SF RES	4725	105	12.50	15.80
102	VILL 27	SF RES	4725	125	14.70	19.60
103	VILL 28	SF RES	4200	119	12.20	16.60
104	VILL 29	SF RES	5775	134	19.30	24.70
105	VILL 30	SF RES	5775	94	13.50	16.50
106	VILL 30A	SF RES	VARIES	144	23.60	32.60
107	VILL 31	SF RES	6300	107	17.00	22.30
108	VILL 32	SF RES	VARIES	94	13.30	18.70
109	VILL 33	SFRES	5775	60	8.40	10.40
110	VILL 34	SF RES	.4725	86	10.20	12.60
111	VILL 35	SF.RES	5250	63	8.40	10.50
112	N/A	MDR	N/A	N/A	8.10	8.30
113	N/A_	MDR	N/A	N/A	11.30	12.40
114	N/A	MDR	N/A	N/A	6.50	7.90
115	N/A	MDR	N/A	N/A	13.50	14.30
116	N/A	HDR	N/A	N/A	6.40	7.60
117	N/A	HDR	N/A	N/A	6.90	7.60
118	N/A	HDR	N/A	N/A	8.20	8.40
119	N/A	ES	N/A	N/A	9.83	9.83
120	N/A	ES	N/A.	N/A	5.00	5.00
121	N/A	DAYCARE	N/A	N/A	1.04	1.44
122	N/A	1	N/A	N/A	1:00	1.37
123	N/A	COMM	N/A	N/A	2.78	3.45
124	N/A	PARK	N/A	N/A	2.04	2.04
125	N/A_	PARK	N/A	N/A	42.14	42.14
126	N/A	PARK	N/A	N/A	3.23	3.23
127	N/A	os	N/A	N/A .	0.47	0.52
128	N/A	os	N/A	N/A	1.30	1.38
129	N/A	OS	N/A	N/A	8.21	8.85
130	N/A	os	N/A_	N/A	10.34	11.13
131	N/A	DET. BASIN	N/A	N/A	8.04	8.68
132	N/A	os	N/A	N/A	7.54	7.70
TOTAL FOR R	EGENCY P	ARK	,	1631	387.26	482.58
TOTAL FOR CFD 2001-03 1631 387.26 482.56					100.50	
DO IAL FOR	FD 2001-0	·		1631	387.26	462.56

NORTH N.T.S.



WOOD RODGERS INC.

#### CITY OF SACRAMENTO

AFFIDAVIT OF COMPLIANCE WITH THE REQUIREMENTS
FOR PUBLISHING A NOTICE OF PUBLIC HEARING
ON THE RESOLUTION OF INTENTION TO INCUR
A BONDED INDEBTEDNESS FOR THE CITY OF SACRAMENTO
NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

STATE OF CALIFORNIA	)	
	)	SS
COUNTY OF SACRAMENTO	)	

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento;

That, pursuant to Resolution No. 2001-742 (the "Resolution") adopted by the City Council of the City of Sacramento on November 13, 2001, she complied with the requirements for publishing a Notice of Public Hearing on the Resolution to Incur a Bonded Indebtedness for the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District"), as required by Section 4 of the Resolution, by causing a copy of such notice to be published once in the *Daily Recorder*, a newspaper of general circulation circulated in the area of the Community Facilities District, and that attached hereto, marked Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of an affidavit of

publication on file in her office showing that such notice as annexed to said affidavit was duly published one time on November <u>36</u>, 2001.

Subscribed and sworn to before me this 4th day of November, 2001.

State of Californ

[Notarial Seal]

N. C. ALLEN COMM. #1276893 Notary Public-California

#### EXHIBIT A

NOTICE OF THE PUBLIC HEARING
ON THE RESOLUTION OF INTENTION TO INCUR A
BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND
CONSTRUCTION OF CERTAIN PUBLIC FACILITIES
IN AND FOR THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 2001-742 (the "Resolution") on November 13, 2001, wherein it declared that the public convenience and necessity require and it is necessary under and pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the "Act"), that a bonded indebtedness be incurred in the principal amount of twenty million dollars (\$20,000,000) to finance the acquisition and construction of those certain public facilities referred to in the Resolution (the "Facilities") in and for a community facilities district referred to in the Resolution to be known as the "City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03" (the "Community Facilities District"), which amount includes all costs and estimated costs incidental to or connected with the accomplishment of the purpose for which such bonded indebtedness is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any bonds of the Community Facilities District estimated to be due and payable within two (2) years of issuance of the bonds, election costs, and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs.

NOTICE IS HEREBY FURTHER GIVEN that Tuesday, the 18th day of December, 2001, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council as the time and place for a public hearing to be held by the Council to consider the incurring of such bonded indebtedness to finance the acquisition and construction of the Facilities in and for the Community Facilities District, and at such public hearing any persons interested, including all taxpayers, property owners and registered electors within the Community Facilities District, may appear and be heard on the proposed debt issue or on any other matters set forth in the Resolution, and they may present any matters relating to the necessity for incurring such bonded indebtedness to finance the acquisition and construction of the Facilities and to be secured by a special tax to be levied within the Community Facilities District.

NOTICE IS HEREBY FURTHER GIVEN that a more complete description of the Facilities proposed to be acquired and constructed in and for the Community Facilities District by the issuance of such bonded indebtedness and a description of the incidental expenses to be financed by such bonded indebtedness and a copy of the Resolution and the boundary map of the Community Facilities District are on file with the City Clerk of the City of Sacramento, Sacramento City Hall, 915 I Street, Sacramento, California 95814, and are available for review there during business hours by any interested persons.

NOTICE IS HEREBY FURTHER GIVEN that questions concerning this notice should be directed to Ron Wicky, Department of Public Works, Special Districts Division, City of Sacramento, telephone (916) 264-5628.

DATED: November 13, 2001.

Valerie A. Burrowes

City Clerk of the City of Sacramento

#### **CITY OF SACRAMENTO**

AFFIDAVIT OF COMPLIANCE WITH THE REQUIREMENTS FOR
MAILING A NOTICE OF PUBLIC HEARING
ON THE RESOLUTION OF INTENTION TO INCUR
A BONDED INDEBTEDNESS FOR THE CITY OF SACRAMENTO
NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03

STATE OF CALIFORNIA	)	
	)	SS
COUNTY OF SACRAMENTO	)	

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento;

That, pursuant to Resolution No. 2001-742 (the "Resolution") adopted by the City Council of the City of Sacramento on November 13, 2001, she complied with the requirements for mailing a Notice of Public Hearing on the Resolution to Incur a Bonded Indebtedness for the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "Community Facilities District"), as required by Section 4 of the Resolution, by causing a copy of such notice to be mailed on November 14, 2001, first class postage prepaid, to each property owner within the boundaries of the Community Facilities District, and that attached hereto, marked Exhibit A and

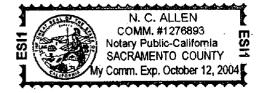
incorporated herein and made a part hereof, is a true and correct copy of such notice in the form mailed.

City Clerk of the City of Sacramento

Subscribed and sworn to before me this Loth day of November, 2001.

NOTARY PUBLIC State of California

[Notarial Seal]



#### EXHIBIT A

NOTICE OF THE PUBLIC HEARING
ON THE RESOLUTION OF INTENTION TO INCUR A
BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND
CONSTRUCTION OF CERTAIN PUBLIC FACILITIES
IN AND FOR THE CITY OF SACRAMENTO NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

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NOTICE IS HEREBY FURTHER GIVEN that a more complete description of the Facilities proposed to be acquired and constructed in and for the Community Facilities District by the issuance of such bonded indebtedness and a description of the incidental expenses to be financed by such bonded indebtedness and a copy of the Resolution and the boundary map of the Community Facilities District are on file with the City Clerk of the City of Sacramento. Sacramento City Hall, 915 I Street, Sacramento, California 95814, and are available for review there during business hours by any interested persons.

NOTICE IS HEREBY FURTHER GIVEN that questions concerning this notice should be directed to Ron Wicky, Department of Public Works, Special Districts Division, City of Sacramento, telephone (916) 264-5628.

DATED: November 13, 2001.

Valerie A. Burrowes

City Clerk of the City of Sacramento