

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE  
OF INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT  
AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES**

**COMMUNITY FACILITIES DISTRICT NO. 14  
(Raleigh/Charlotte)**

WHEREAS, pursuant to Chapter 14.27 of Title 14 of the Municipal Code of the City, which incorporates and modifies the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (together, the "Ordinance"), this Council is the legislative body for the proposed community facilities district and is empowered with the authority to establish a community facilities district;

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

1. This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Ordinance.
2. The name proposed for the community facilities district is "Community Facilities District No. 14 (Raleigh/Charlotte)" (the "CFD").
3. The proposed boundaries of the CFD are as shown on the map of the CFD on file with the City Clerk of the City and attached hereto and incorporated herein by reference as Exhibit "A", which boundaries are hereby approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to endorse thereon the aforesaid filing and the date of adoption of this resolution and to record, or cause to be recorded, the map of the boundaries of the CFD in the office of the County Recorder of the County of Santa Clara prior to the public hearing referred to in paragraph 11 below.
4. The type of public services (the "Services") proposed to be financed by the CFD and pursuant to the Ordinance shall consist of those items listed as Services on Exhibit "B" hereto and by this reference incorporated herein.
5. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem*

property taxes, or in such other manner as may be determined by the City. The proposed rate and method of apportionment of the special tax among the parcels of real property within each of ten Improvement Areas of the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibits "C-1" through "C-10" attached hereto and by this reference incorporated herein.

6. This Council acting as the legislative body for the CFD does not intend to cause bonds of the City to be issued for the CFD pursuant to the Ordinance to finance in whole or in part the Services.

7. The levy of said proposed special tax shall be subject to the approval of the landowners of the CFD at a special election. The proposed voting procedure shall be by mail or hand-delivered ballot among the landowners in said proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD. It is hereby determined that the Services financed by the CFD are necessary to meet increased demands placed on the City as a result of development or rehabilitation occurring in the CFD.

8. Except as may otherwise be provided by law, all lands owned by any public entity, including the United States, the State of California and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the special tax to be made to cover the costs and expenses of the Services. In the event that a portion of the property within the CFD shall later be transferred to a public entity for any reason, the levy of the special tax shall be as described in Exhibits "C-1" through "C-10", Section E.

9. The City Engineer of the City, as the officer having charge and control of the Services in and for the CFD, is hereby directed to study said proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing, presenting the following:

- (a) A description of the Services by type which will be required to adequately meet the needs of the CFD.
- (b) An estimate of the fair and reasonable cost of the Services, including incidental expenses in connection with said Services.

Said report shall be made a part of the record of the public hearing provided for below.

10. Tuesday, September 20, 2011, at 1:30 p.m., or as soon thereafter as the City Council may reach the matter, in the regular meeting place of this Council, City Council Chambers, 200 East Santa Clara Street, San Jose, California, is hereby appointed and fixed as the time and place when and where this Council, as legislative body for the

RD:VMT  
07/15/11

CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the levy of said special tax.

11. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication of said notice shall be completed at least seven (7) days before the date herein set for said hearing. Said notice shall be in the form specified in the Ordinance.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

VACANT:

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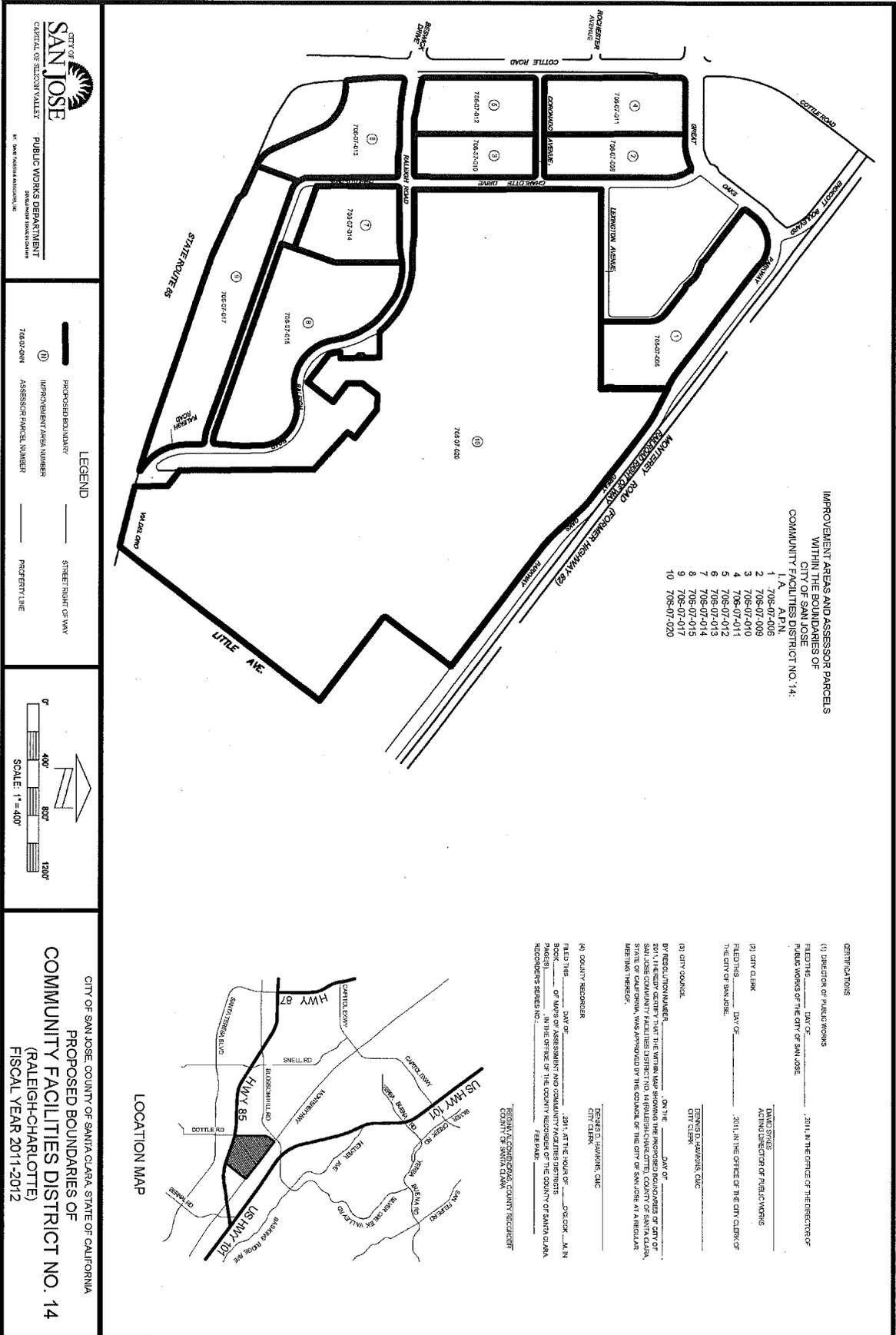
CHUCK REED  
Mayor

ATTEST:

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DENNIS D. HAWKINS, CMC  
City Clerk

# ATTACHMENT A



IMPROVEMENT AREAS AND ASSESSOR PARCELS  
 WITHIN THE BOUNDARIES OF  
 CITY OF SAN JOSE  
 COMMUNITY FACILITIES DISTRICT NO. 14

- I.A. A.P.N.
- 1 705-07-005
  - 2 705-07-009
  - 3 705-07-010
  - 4 705-07-011
  - 5 705-07-012
  - 6 705-07-013
  - 7 705-07-014
  - 8 705-07-017
  - 9 705-07-017
  - 10 705-07-020



**LEGEND**

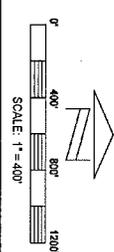
PROPOSED BOUNDARY

STREET RIGHT-OF-WAY

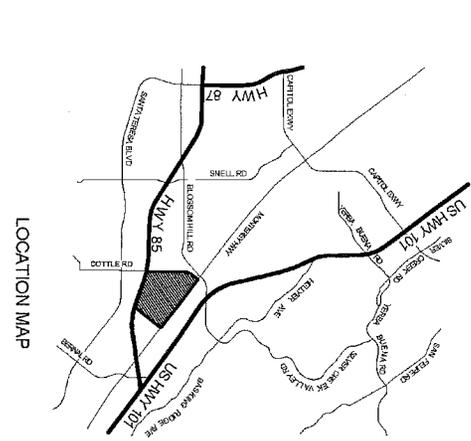
IMPROVEMENT AREA NUMBER

ASSESSOR PARCEL NUMBER

PROPERTY LINE



CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA  
 PROPOSED BOUNDARIES OF  
 COMMUNITY FACILITIES DISTRICT NO. 14  
 (RALEIGH-CHARLOTTE)  
 FISCAL YEAR 2011-2012



**CERTIFICATIONS**

(1) DIRECTOR OF PUBLIC WORKS  
 FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2011, IN THE OFFICE OF THE DIRECTOR OF PUBLIC WORKS OF THE CITY OF SAN JOSE.

(2) CITY CLERK  
 FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2011, IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN JOSE.

(3) CITY COUNCIL  
 FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2011, AT THE HOUR OF \_\_\_\_\_, A.M. IN \_\_\_\_\_, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, WAS APPROVED BY THE COUNCIL OF THE CITY OF SAN JOSE AT A REGULAR MEETING THEREOF.

(4) COUNTY RECORDER  
 FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2011, AT THE HOUR OF \_\_\_\_\_, A.M. IN \_\_\_\_\_, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, WAS APPROVED BY THE COUNTY CLERK OF SANTA CLARA COUNTY RECORDER'S SERIES NO. \_\_\_\_\_.

TERESA A. RODRIGUEZ, COUNTY RECORDER  
 COUNTY OF SANTA CLARA

TERESA D. HARMON, CLIC  
 CITY CLERK

## ATTACHMENT B

### DESCRIPTION OF PROPOSED SERVICES

The services proposed to be financed by Community Facilities District No. 14 (Raleigh/Charlotte) (the "CFD No. 14") of the City of San José will provide for the maintenance of various improvements associated and approved with the mixed use development project. Maintenance of the improvements may include but will not be limited to necessary repairs, replacements, equipment, supplies, water, fuel, power, electricity, supervision and all other items needed for safe and proper maintenance of the items set forth below. This list identifies those improvements that are authorized for maintenance by the CFD No. 14; however, not all items on this list are guaranteed to be funded by the district.

#### Items Authorized to be Maintained

- Three public parks; a roughly ten acre site located at the northeast corner of Charlotte Drive and Lexington Avenue, a roughly five acre linear site on the easterly side of Raleigh Road, and an approximate one acre site at the southern bend in Charlotte Road.
- Storm water detention basins within two of the parks including associated pipelines and structures
- Median island landscaping on Raleigh Road at the intersection of Charlotte
- Median Island landscaping along Great Oaks Parkway between Charlotte and the border of the campus industrial parcel and the City of San Jose Police substation
- Street trees along the easterly side of Cottle Road between SR 85 and Great Oaks Parkway
- Frontage and parkstrip landscaping within ROW along Charlotte, Coronado, Raleigh from park to Cottle, Lexington excluding south side of Lexington Avenue and Great Oaks excluding easterly side along railroad across from campus industrial parcel.
- Tree trimming, trash removal and weed control on the parcel designated as Lot H at the intersection of Endicott and Great Oaks Parkway

## ATTACHMENT C-1

### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 1 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 1 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 1)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 1), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 1): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 1), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 1) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 1) for any other administrative purposes of CFD No. 14 (IA No. 1), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 1), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 1)”** means Improvement Area No. 1 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 1).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

## ATTACHMENT C-1

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 1) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 1) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 1).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 1).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

## ATTACHMENT C-1

1) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 1) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 1), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 1) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 1) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 1) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 1) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

**ATTACHMENT C-1**

Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

**C. MAXIMUM SPECIAL TAX RATE**

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 1 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-006	\$79,268.95

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 1), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 1) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

## ATTACHMENT C-1

all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 1) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

## ATTACHMENT C-1

### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 1) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

## ATTACHMENT C-2

### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 2 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 2 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 2)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 2), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 2): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 2), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 2) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 2) for any other administrative purposes of CFD No. 14 (IA No. 2), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

## ATTACHMENT C-2

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 2), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 2)”** means Improvement Area No. 2 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 2).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 2) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 2) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 2).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 2).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

## ATTACHMENT C-2

2) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 2) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 2), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 2) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 2) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 2) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 2) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

**ATTACHMENT C-2**

Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

**C. MAXIMUM SPECIAL TAX RATE**

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 2 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-009	\$8,510.31

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 2), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 2) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

## ATTACHMENT C-2

all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 2) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

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### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 2) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

## ATTACHMENT C-3

### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 3 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 3 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 3)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 3), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 3): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 3), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 3) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 3) for any other administrative purposes of CFD No. 14 (IA No. 3), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

## ATTACHMENT C-3

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 3), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 3)”** means Improvement Area No. 3 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 3).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 3) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 3) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 3).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 3).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

## ATTACHMENT C-3

3) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 3) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 3), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 3) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 3) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 3) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 3) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

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Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

### C. MAXIMUM SPECIAL TAX RATE

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 3 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-010	\$7,279.48

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 3), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 3) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

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all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 3) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

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### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 3) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

## ATTACHMENT C-4

### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 4 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 4 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 4)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 4), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 4): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 4), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 4) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 4) for any other administrative purposes of CFD No. 14 (IA No. 4), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 4), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 4)”** means Improvement Area No. 4 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 4).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 4) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 4) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 4).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 4).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

## ATTACHMENT C-4

4) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 4) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 4), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 4) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 4) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 4) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 4) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

**ATTACHMENT C-4**

Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

**C. MAXIMUM SPECIAL TAX RATE**

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 4 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-011	\$10,983.69

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 4), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 4) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

## ATTACHMENT C-4

all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 4) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

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### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 4) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

## ATTACHMENT C-5

### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 5 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 5 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 5)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 5), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 5): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 5), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 5) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 5) for any other administrative purposes of CFD No. 14 (IA No. 5), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

## ATTACHMENT C-5

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 5), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 5)”** means Improvement Area No. 5 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 5).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 5) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 5) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 5).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 5).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

## ATTACHMENT C-5

5) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 5) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 5), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 5) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 5) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 5) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 5) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

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Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

### C. MAXIMUM SPECIAL TAX RATE

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 5 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-012	\$9,260.53

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 5), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 5) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

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all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 5) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

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### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 5) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

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### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 6 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 6 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 6)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 6), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 6): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 6), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 6) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 6) for any other administrative purposes of CFD No. 14 (IA No. 6), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 6), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 6)”** means Improvement Area No. 6 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 6).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 6) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 6) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 6).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 6).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

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6) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 6) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 6), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 6) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 6) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 6) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 6) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

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Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

**C. MAXIMUM SPECIAL TAX RATE**

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 6 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-013	\$63,852.26

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 6), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 6) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

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all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 6) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

## ATTACHMENT C-6

### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 6) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

## ATTACHMENT C-7

### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 7 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 7 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 7)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 7), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 7): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 7), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 7) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 7) for any other administrative purposes of CFD No. 14 (IA No. 7), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

## ATTACHMENT C-7

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 7), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 7)”** means Improvement Area No. 7 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 7).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 7) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 7) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 7).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 7).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

## ATTACHMENT C-7

7) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 7) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 7), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 7) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 7) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 7) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 7) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

**ATTACHMENT C-7**

Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

**C. MAXIMUM SPECIAL TAX RATE**

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 7 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-014	\$49,262.52

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 7), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 7) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

## ATTACHMENT C-7

all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 7) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

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### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 7) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

## ATTACHMENT C-8

### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 8 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 8 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 8)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 8), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 8): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 8), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 8) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 8) for any other administrative purposes of CFD No. 14 (IA No. 8), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

## ATTACHMENT C-8

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 8), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 8)”** means Improvement Area No. 8 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index” or “CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 8).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 8) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 8) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 8).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 8).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

## ATTACHMENT C-8

8) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 8) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 8), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 8) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 8) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 8) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 8) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

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Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

**C. MAXIMUM SPECIAL TAX RATE**

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 8 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-015	\$121,620.54

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 8), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 8) after Subdivision shall be equal to the sum of

## ATTACHMENT C-8

Maximum Special Tax amounts for all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 8) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

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### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 8) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

## ATTACHMENT C-9

### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 9 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 9 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 9)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 9), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 9): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 9), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 9) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 9) for any other administrative purposes of CFD No. 14 (IA No. 9), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 9), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 9)”** means Improvement Area No. 9 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 9).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 9) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 9) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 9).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 9).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

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9) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 9) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 9), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 9) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 9) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 9) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 9) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

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Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

**C. MAXIMUM SPECIAL TAX RATE**

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1.**

**Maximum Special Tax  
Improvement Area No. 9 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-017	\$105,140.63

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 9), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 9) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

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all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 9) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

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### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 9) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.

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### RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA No. 10 OF COMMUNITY FACILITIES DISTRICT No. 14 OF THE CITY OF SAN JOSE (RALEIGH-CHARLOTTE)

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 10 of Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte) ("CFD No. 14 (IA No. 10)") and collected each Fiscal Year commencing in Fiscal Year 2011-2012 in an amount determined by the City Council of the City of San Jose, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 14 (IA No. 10), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following 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, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means, collectively, the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 commencing at Section 53311 of the California Government Code, as incorporated into and modified by Chapter 14.27 of Title 14 of the Municipal Code of the City.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 14 (IA No. 10): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 14 (IA No. 10), or any designee thereof related to the reduction of the Maximum Special Tax in accordance with Section C herein; the costs of the City, CFD No. 14 (IA No. 10) or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 14 (IA No. 10) for any other administrative purposes of CFD No. 14 (IA No. 10), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

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

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

**“Authorized Maintenance Services”** means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting, and landscaping), park maintenance, sports field maintenance, open space maintenance, storm drainage maintenance, and other maintenance services eligible to be funded by CFD No. 14 (IA No. 10), as defined in the Resolution of Formation.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 14”** means Community Facilities District No. 14 of the City of San Jose (Raleigh-Charlotte).

**“CFD No. 14 (IA No. 10)”** means Improvement Area No. 10 of CFD No. 14 as identified on the boundary map for CFD No. 14, and further set forth in the Resolution of Formation.

**“City”** means the City of San Jose.

**“Consumer Price Index”** or **“CPI”** means, for each Fiscal Year, that year’s annual average consumer price index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 14 (IA No. 10).

**“County”** means the County of Santa Clara.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Public Property and Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2011 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Notwithstanding the foregoing, an Assessor’s Parcel, or portion thereof, shall not be considered to constitute “Developed Property” merely by reason of the placement thereon of one or more temporary, portable structures which are used as part of a residential sales operation.

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

**“Land Use Class”** means any of the classes listed or described in Sections B and C below.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 14 (IA No. 10) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property. Notwithstanding the above, Assessor’s Parcels that have been delinquent in paying their Special Taxes may be taxed disproportionately to cover the shortfall generated by the delinquency and the other costs resulting from the delinquency.

**“Public Property”** means property within the boundaries of CFD No. 14 (IA No. 10) owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 14 (IA No. 10).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Resolution of Formation”** means the Council resolution establishing CFD No. 14 (IA No. 10).

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property within CFD No. 14 (IA No.

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10) to fund the Special Tax Requirement, but in no event greater than the Maximum Special Tax.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 14 (IA No. 10) to: (i) pay for Authorized Maintenance Services, (ii) create a sinking fund for replacement of facilities that will be maintained by Authorized Maintenance Services, (iii) pay Administrative Expenses of CFD No. 14 (IA No. 10), (iv) cure delinquencies in the payment of Special Taxes levied in prior Fiscal Years 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.

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

**“Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) and Title 19 of the San Jose Municipal Code or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates successor Assessor’s Parcels for the purpose of levying property taxes.

**“Taxable Land Area”** means the measure of Taxable Property for a Parcel, in Acreage, which shall be determined pursuant to Section C.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 14 (IA No. 10) which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Public Property”** means all Public Property located within the boundaries of or annexed into CFD No. 14 (IA No. 10) which is not exempt from the Special Tax pursuant to Section E below.

**“Taxable Property Owner Association Property”** means all Property Owner Association Property located within the boundaries of or annexed into CFD No. 14 (IA No. 10) which is not exempt from the Special Tax pursuant to Section E below.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property, or Taxable Property Owner Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2011-2012, all Taxable Property within CFD No. 14 (IA No. 10) shall be classified as Developed Property or Undeveloped Property or Taxable Public Property or Taxable Property Owner Association Property or Public Property or Property Owner Association Property and shall be subject to Special

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Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E herein.

**C. MAXIMUM SPECIAL TAX RATE**

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner Association Property, prior to Subdivision, is shown below in Table 1. The Maximum Special Tax may be adjusted by the percentage change in the Consumer Price Index in accordance with Subsection (1) herein or reapportioned in accordance with Subsection (2) herein.

**TABLE 1**

**Maximum Special Tax  
Improvement Area No. 10 of CFD No. 14  
Fiscal Year 2011-2012**

Assessor's Parcel Number	Maximum Special Tax
706-07-020	\$21,186.41

(1) Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2012, the Maximum Special Tax shall be adjusted based on the percentage change in the Consumer Price Index. Any increase in the Maximum Special Tax is subject to a maximum annual increase of five percent (5%) per Fiscal Year.

(2) Subdivision of Taxable Property

If a Subdivision occurs within the boundaries of CFD No. 14 (IA No. 10), the Taxable Land Area for each Assessor's Parcel resulting from such Subdivision shall be determined by the CFD Administrator on each July 1, commencing on July 1, 2012, from the final map, parcel map, or lot line adjustment which created such Assessor's Parcel(s). The Maximum Special Tax for each successor Parcel shall be equal to the proportionate share of the Maximum Special Tax associated with the subdivided Parcel(s), based on the Taxable Land Area contained within each successor Parcel as a percentage of the total Taxable Land Area of all successor Parcels resulting from such Subdivision. The sum of the Maximum Special Tax amounts for all Assessor's Parcels within CFD No. 14 (IA No. 10) after Subdivision shall be equal to the sum of Maximum Special Tax amounts for

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all Assessor's Parcels prior to Subdivision for that Fiscal Year, as determined in accordance with Section C above.

### D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2011-2012 and for each following Fiscal Year, the Council or its designee shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

(1) First, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax;

(2) Second, if additional monies are needed to satisfy the Special Tax Requirement after the first step in Subsection (1) has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax; and

(3) Third, if additional monies are needed to satisfy the Special Tax Requirement after the first two steps in Subsections (1) and (2) have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax.

### E. EXEMPTIONS

(1) Change from Public Property or Property Owner Association Property Classification:

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 14 (IA No. 10) unless an Assessor's Parcel which is exempt from the Special Tax changes classification from Public Property or Property Owner Association Property, in which case the tax-exempt status will be revoked.

(2) Change to Public Property or Property Owner Association Property Classification:

When an Assessor's Parcel which has previously been classified as Taxable Property is reclassified to Public Property or Property Owner Association Property in its entirety, or any portion thereof as a result of Subdivision, it shall not be granted tax-exempt status and shall be classified as Taxable Public Property or Taxable Property Owner Association Property, respectively.

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### F. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 14 (IA No. 10) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

### G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Maintenance Services as determined at the sole discretion of the Council or as may be otherwise terminated pursuant to the Act.