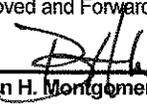




STAFF REPORT

Date: Tuesday, December 9, 2014
To: Bryan H. Montgomery, City Manager
From: Kevin Rohani, Public Works Director/City Engineer
SUBJECT: Two Resolutions Initiating Community Facilities District 2015-1
(Emerson Ranch Maintenance)

Approved and Forwarded to City Council:


Bryan H. Montgomery, City Manager

Background and Analysis

On September 14, 2010, the City Council approved Resolution 107-10 to subdivide the Emerson Ranch property into 567 single family parcels and one 22.88 acre commercial parcel through Vesting Tentative Map 9032. In 2013 Resolution 35-13 approved an amendment to the Emerson Ranch Final Development Plan to make minor modifications to the internal street circulation, park configuration, and lot sizes.

The Emerson Ranch property is located on the northwest corner of East Cypress Road and Sellers Avenue. Emerson Ranch, when completed, will include a new 5 acre public park, street lighting, a stormwater detention basin, trails, and roadside and median landscaping. This development will require a financing mechanism to fund the annual operation and maintenance costs of these facilities.

The Mello-Roos Community Facilities Act of 1982 allows for the formation of a Community Facilities District (CFD) to fund the operation and maintenance services of the above referenced facilities through a levy of an annual special tax. This CFD will take the place of a typical Landscape and Lighting Assessment District (LLAD) which the City has formed in the past for providing similar services. The purpose for forming a CFD and not a LLAD is that the CFD Act allows for the maintenance of all of the facilities described above and the LLAD Act allows for the maintenance of all of the facilities described above except stormwater detention facilities.

On December 1, 2014, the City received a petition from Brookfield Homes requesting the establishment of a CFD. The City is required to consider the formation of the CFD if a petition is filed with the City Clerk. The petition is attached for Council's reference.

Local Goals & Policies

Under the Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act), a local agency may initiate proceedings to establish a Community Facilities District only if it has first considered and adopted "local goals and policies concerning the use" of the Mello-Roos Act. The policies at a minimum shall include the following information:

- 1) A statement of the priority that various kinds of public facilities and services shall have for financing through the use of the Mello-Roos Act, including public facilities to be owned and operated by other public agencies, including school districts, and services to be provided by other public agencies.
- 2) A statement concerning the credit quality to be required of bond issues, including criteria to be used in evaluating the credit quality.
- 3) A statement concerning steps to be taken to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under the Mello-Roos Act.
- 4) A statement concerning criteria for evaluating the equity of tax allocation formulas, and concerning desirable and maximum amounts of special tax to be levied against any parcel pursuant to the Mello-Roos Act.
- 5) A statement of definitions, standards, and assumptions to be used in appraisals required by the Mello-Roos Act.

On September 19, 2005, the City adopted Resolution No. 97-05 which established the "City of Oakley's Statement of Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982". Since September 19, 2005, Section 53312.7 of the Mello-Roos Act, which establishes the local goals and policies requirement, has been amended. The wording shown below in bold italics has been added to Section 53312.7 of the Mello-Roos Act:

Section 53312.7. On and after January 1, 1994, a local agency may initiate proceedings to establish a district pursuant to this chapter only if it has first considered and adopted local goals and policies concerning the use of this chapter. The policies shall include at least the following:

- (1) A statement of the priority that various kinds of public facilities ***and services*** shall have for financing through the use of this chapter, including public facilities to be owned and operated by other public agencies, including school districts, ***and services to be provided by other public agencies***.....

The City's existing local goals and policies do not address the priority of use of CFD financing for facilities to be owned by other public agencies or services to be provided by other public agencies. The proposed changes to the District's goals and policies would establish a general priority for financing facilities to be owned by the City and services to be provided by the City. The existing local goals and policies are also being amended, where appropriate, to reflect current best practices. In the future, if it is determined that the proposed "Amended and Restated Local Goals and Policies and Appraisal Standards Concerning Use of Mello-Roos Community Facilities Act of 1982" need to be further amended, the Council has the authority to amend them.

Resolution of Intention

The attached Resolution of Intention to Establish Community Facilities District includes a description of the services proposed to be included in the CFD, as well as

a description of the rate and method of apportionment of the special tax. Services in general include on-going maintenance, operation, monitoring, and replacement of neighborhood parks, community parks, regional parks, street lighting, landscaping, stormwater detention facilities, and all administrative actions necessary for the operation and maintenance of the CFD. Based on an estimate of the costs to be incurred by the City of Oakley for providing the services for the CFD, the maximum combined annual special tax for Fiscal Year 2014-15 was designated at \$1,291.00 per residential parcel. A breakdown of the maximum annual special tax by service category is show in the attached Exhibit "B" (Rate & Method of Apportionment of Special Tax). The funds collected and used for services associated with the CFD will be tracked and can only be used for the services described in Exhibit "A" (Description of Services). An annual evaluation will be conducted to determine if adjustments to the applied special tax rate are required. As specified in the rate and method of apportionment of special tax, annual increases in the maximum special tax are limited to the prior year's change in the Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose, CA) with minimum annual increase of 3% and a maximum annual increase of 5% over the previous year's maximum special tax.

The process for the establishment of the CFD No. will be as follows:

- | | |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dec 9, 2014 | City Council considers amended and restated Local Goals and Policies and Appraisal Standards |
| Dec 9, 2014 | City Council considers Resolution of Intention to Establish Community Facilities District and sets the time, date and place for the Public Hearing |
| Dec 10, 2014 | City Clerk records Boundary Map with County Recorder's Office no later than December 24, 2014 (within 15 days of the adoption of the Resolution of Intention) |
| Dec 20, 2014 | Election materials are sent to the Emerson Ranch property owner |
| Jan 6, 2015 | City Clerk publishes Notice of Public Hearing (at least once a minimum of 7 days prior to the Public Hearing) |
| Jan 8, 2015 | Community Facilities District Report filed with the City Clerk (in advance of Public Hearing) |
| Jan 13, 2015 | City Council holds Public Hearing (at least 30, but not more than 60 days after adoption of the Resolution of Intention) and considers the following actions: <ul style="list-style-type: none">• Adopt Resolution of Formation of Community Facilities District; |

- Adopt Resolution Calling for Special Landowner Election for Community Facilities District;
- Conduct Election;
- Adopt Resolution Confirming Results of Election and Directing Recording of Notice of Special Tax Lien; and
- First Reading of Ordinance Ordering the Levy of Special Taxes within Community Facilities District.

Jan 20, 2015	City Clerk files the Notice of Special Tax Lien with the County Recorder's Office – no later than Jan 28th (must be completed within 15 days of the adoption of the Resolution Confirming Results of Election and Directing the Recordation of the Notice of Special Tax Lien)
Jan 27, 2015	City Council takes Second Reading of Ordinance Ordering Levy of Special Taxes within CFD No. 2015-1
Jan 28, 2015	Publication of Ordinance (within 15 days after the passage of ordinance)
July 1, 2015	Special Tax to be levied on parcels with the CFD for Fiscal Year 2015/16
Dec 10, 2015	City of Oakley receives first portion of Special Taxes levied for Fiscal Year 2015/16

Fiscal Impact

The Emerson Ranch Development will have increased levels of maintenance of neighborhood parks, community Parks, regional parks, street lighting, landscaping, and stormwater detention facilities over what is generally covered by basic City services. In order to maintain these items at an increased level, a financing mechanism is required. CFD No. 2015-1 will create a Special Tax to pay for these services.

The CFD special tax will be levied annually to fund the maintenance of the above services.

Costs for the formation of the CFD are paid for by the applicant.

Recommendation

Staff recommends that the City Council adopt the Resolution Approving Local Goals & Policies and the Resolution of Intention to Establish the CFD, and setting January 13, 2015 at 6:30 p.m., or as soon thereafter as possible, as the time and date for the Public Hearing for the formation of CFD No. 2015-1.

Attachments

- 1) Petition
- 2) Resolution Approving Goals & Policies, Local Goals & Policies for Community Facilities Districts;
 - a. Exhibit A – Local Goals & Policies
- 3) Resolution Intention to Establish CFD
 - a. Exhibit A – Description of Services and Facilities;
 - b. Exhibit B – Rate and Method of Apportionment
- 4) Proposed Boundary Map.

**CITY OF OAKLEY
Community Facilities District No. 2015-1
(Emerson Ranch Maintenance)**

**PETITION
(With Waivers)**

**To Create a Community Facilities District
and Related Matters**

_____, 2014

To The Honorable City Council
City of Oakley
3231 Main Street
Oakley, CA 94561

Members of the City Council:

This is a petition to create a Community Facilities District and related matters under the Mello-Roos Community Facilities Act of 1982 (the "Act") and it states as follows:

1. Petitioner. This Petition is submitted by the person (the "Petitioner") (whether one or more) identified below as or for the record owner(s) of the parcels of land identified below (the "Property"). The Petitioner warrants to the City that the Petitioner is such owner or is legally authorized to execute this Petition for and on behalf of such owner(s).

2. Proceedings Requested. This Petition asks that the City Council undertake proceedings under the Act to create a Community Facilities District to be designated "City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)" (the "Community Facilities District") to levy special taxes in the Community Facilities District.

3. Boundaries. This Petition asks that the territory to be included in the boundaries of the Community Facilities District consist of that shown on a map of the proposed boundaries of the Community Facilities District filed with the City Clerk of the City and which map is hereby made a part hereof and which map includes the Property.

4. Purpose. This Petition asks that the Community Facilities District be created and that the special taxes be levied to finance all or a part of the public services (the "Services") shown in Exhibit A attached hereto and made a part hereof.

5. Special Tax. The Petitioner agrees that the City will, subject to the approval of the Petitioner in the proceedings for the Community Facilities District, be authorized to levy a Special Tax in the Community Facilities District to pay for the Services, subject to the completion of all proceedings by the City under the Act.

6. **Election.** The Petitioner asks that the special property-owner election to be held under the Act to authorize the Special Tax and to establish any appropriations limits for the Community Facilities District be conducted by the City and its officials, using a mailed or hand-delivered ballot and that such ballot be canvassed and the results certified at the same meeting of the City Council as the public hearing on the Community Facilities District under the Act or as soon thereafter as possible.

7. **Waivers.** To expedite the completion of the proceedings for the Community Facilities District, the Petitioner waives all notices of hearing and all published notices regarding the establishment of the Community Facilities District, notices of election, applicable waiting periods under the Act for the holding of any public hearing and for election and all ballot arguments and analysis for the election, it being acknowledged by the Petitioner that all such notices are for the benefit of the Petitioner and may be waived.

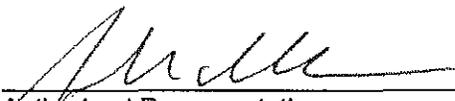
8. **Authority Warranted.** The Petitioner warrants to the City that the presentation of this Petition, any waivers contained herein, casting of ballots at the property owner election and other actions mandated by the City for the formation of the Community Facilities District shall not constitute or be construed as events of default or delinquencies under any existing or proposed financing documents entered into or to be entered into by the Petitioner for the Property, including any "due-on-encumbrance" clauses under any existing security instruments secured by the Property. If requested by the City, the Petitioner agrees, at its expense, to supply to the City current title evidence so that the City may supply any notice and ballot required under the Act for the establishment of the Community Facilities District.

9. **Due-Diligence and Disclosures.** The Petitioner agrees to cooperate with the City, its attorneys and consultants and to provide all information and disclosures required by the City about the Special Tax to purchasers of the Property or any part of it.

10. **Agreements.** The Petitioner further agrees to execute such additional or supplemental agreements as may be required by the City to provide for any of the actions and conditions under this Petition, including any amount of cash deposit required to pay for the City's costs in establishing the Community Facilities District. Petitioner agrees that this Petition shall not be considered as filed with the City for purposes of commencing proceedings for the Community Facilities District under the Act unless and until deemed filed by the City in its absolute discretion.

The Petitioner (record owner) is:

Brookfield Emerson Land LLC, a Delaware
limited liability company



Authorized Representative
Josh Roden

Address:
500 La Gonda Way, Suite 100
Danville, CA 94526

EXHIBIT A

CITY OF OAKLEY Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)

DESCRIPTION OF SERVICES

The captioned Community Facilities District will finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982), including all related administrative costs, expenses and related reserves for replacement of vehicles, equipment and facilities:

Neighborhood Parks & Street Lighting

Maintenance, including servicing, repair, replacement and removal of neighborhood parks (includes park amenities such as playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Maintenance, including servicing, repair, replacement and removal of street lights (includes poles, fixtures, bulbs, conduits, equipment, including guys, anchors, posts, pedestals and metering devices, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric and other utility costs.

Community Parks

Maintenance, including servicing, repair, replacement and removal of community parks (includes park amenities such as buildings, sports fields, sports courts, playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Neighborhood Landscaping

Maintenance, including servicing, repair, replacement and removal of parkways, landscape setbacks, landscaped roadway medians, open space, environmental preserves (including performance and management of environmental mitigation monitoring and annual reporting), publicly-owned masonry walls, fences, monuments and features, trails, bike paths, etc., both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Regional Parks

Maintenance, including servicing, repair, replacement and removal of regional parks (includes park amenities such as buildings, sports fields, sports courts, playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Stormwater

Maintenance, including servicing, repair, replacement and removal of bio-retention facilities and drainage facilities (includes field inspections, record keeping, cost of permits and regulatory fees, environmental mitigation monitoring, annual reporting, vegetation management, removal of silt, sediment, trash and debris from the drainage areas, bio-retention basins and City catch basins, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

In addition, the following costs will also be financed by the special taxes levied within the CFD and be allocated to each improvement described above based upon their pro-rata share of needed administrative costs, operating reserves and capital reserves, and actual or estimated delinquencies.

1. Administrative expenses including the costs incurred to determine, levy and collect the special taxes, including compensation of City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the costs of collecting installments of the special taxes upon the general tax rolls, preparation of required reports, and any other costs incurred in the administration of the CFD by the City;
2. Any amounts needed for operating reserves and capital reserves; and
3. Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years.

EXHIBIT B

**CITY OF OAKLEY
Community Facilities District No. 2015-1
(Emerson Ranch Maintenance)**

ASSESSORS PARCEL NUMBERS

037-192-026
(140.25 acres)

RESOLUTION NO. __-14

A RESOLUTION APPROVING THE CITY OF OAKLEY AMENDED GOALS AND POLICIES CONCERNING USE OF MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

WHEREAS, RESOLVED by the City Council (the "Council") of the City of Oakley (the "City"), County of Contra Costa, State of California, that:

1. **Authority.** This Council is intending to consider the conduct of proceedings under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5, commencing with Section 53311 of Part 1, Division 2, Title 5 of the California Government Code) (the "Act").

2. **Goals and Policies.** The City may initiate proceedings to establish a community facilities district under the Act (a "CFD") only if it has first considered and adopted local goals and policies (the "Goals and Policies").

3. **Approval.** The City Council previously approved Goals and Policies for the City by Resolution No. 97-05 on September 19, 2005. Because of changes in the Act, it is necessary for the City to amend its Goals and Policies.

WHEREAS, the amended Goals and Policies on file with the City Clerk are hereby found to meet the requirements of the Act and are hereby adopted by this Council for purposes of compliance with the Act, subject to further amendment by this Council as may be required from time to time.

4. **Effective Date.** This resolution and the Goals and Policies shall be effective from and after the date of the adoption of this resolution by this Council.

PASSED AND ADOPTED at the regular meeting of the City Council of the City of Oakley, State of California, on this 9th day of December 2014, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTENTIONS:

APPROVED:

Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

EXHIBIT A

CITY OF OAKLEY

**AMENDED AND RESTATED
LOCAL GOALS AND POLICIES AND APPRAISAL STANDARDS
CONCERNING USE OF MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

The City Council (the "Council") of the City of Oakley, California (the "City") hereby adopts the following in compliance with Section 53312.7 and 53345.8 of the Community Facilities Act of 1982 (the "Act").

General Policy Respecting Use of the Act

As a matter of general policy, the City will utilize the Act for purposes of (1) acquiring and constructing and providing financing for all or a prescribed portion of the cost and expense of public capital improvements ("facilities") to be owned by the City or other public agencies or regulated public utility companies and which serve a public purpose for the City and its inhabitants and (2) financing all or a prescribed portion of the estimated cost and expense of maintaining and operating such facilities and/or providing services as permitted by the Act.

Priorities for Use of Act

Reserving the right to make exceptions when circumstances warrant, the City establishes the following priority for use of the Act. In general, the City will prioritize facilities to be owned and operated by the City, and services to be provided by the City.

Facilities.

1. Facilities which provide a community-wide benefit to all inhabitants of the City.
2. Facilities needed to serve a community plan or specific plan area that is currently deficient in off-site infrastructure needed to develop the area as planned, *i.e.* "backbone" infrastructure to support already approved community plan or specific plan areas.
3. Other facilities for which there is a clearly demonstrated public benefit but which benefit is likely to be greater to specific sub-areas of the City rather than community-wide.
4. Other facilities permitted by the Act.

Services.

1. The cost and expense of maintaining and operating any of the foregoing facilities.
2. The cost of services (including environmental mitigation monitoring programs) permitted to be paid for from special taxes under the Act.

Required Credit Quality

Value-to-Lien Ratio. All bond issues should have at least a three to one property value to public lien ratio after calculating the value of the financed public improvements to be installed, unless otherwise specifically approved by the City Council as provided in Section 53345.8(b) or (c) of the Act. Property value may be based on either an appraisal or on assessed values as indicated on the county assessor's tax roll. The public lien amount shall include the bond issue currently being sold plus any public indebtedness secured by a lien on the properties to be taxed.

Entitlement Status. Except as otherwise approved by the City Council, the City will require all major land use approvals and governmental permits necessary for development of land in the proposed community facilities district to be substantially in place before bonds may be issued.

Reserve Fund. Except as permitted by the City Council, a debt service reserve fund will be required for bond issues.

Credit Enhancement. The City Council may require credit enhancement to be provided by a property owner proponent of a community facilities district if it determines there is an unusual credit risk related to the proposed bonds.

Suitability. The City will require that bond financings be structured so that bonds are purchased and owned by suitable investors.

Disclosure to Property Purchasers

The Council finds that the statutory requirements of disclosure to property purchasers contained in the Act, most notably, but not limited to, Sections 53328.3, 53328.5 (including the referenced sections of the California Streets and Highways Code), 53340.2 and 53341.5 adequately address this need, and no additional procedures need be imposed by the City. The Council reserves the right to require additional disclosure procedures in any particular case.

Requirements for Special Tax Formulas

The proposed amount and apportionment of the special tax for each community facilities district ("CFD") shall comply with the following criteria:

1. The special tax formula shall be structured to produce sufficient annual special tax revenue to pay:
 - (a) annual debt service on special tax bonds which have been issued, if any;
 - (b) amounts needed to replenish any reserve funds for such bonds;
 - (c) reasonable annual administrative expenses of the City in the administration of the special taxes and the bonds, if any, of the CFD, including without limitation fees and expenses of trustees, fiscal agents, special tax consultants, arbitrage rebate compliance consultants, arbitrage rebate payments, and any incidental expenses related thereto; and

- (d) the cost of any maintenance, services and "pay as you go" programs funded by the CFD special tax.
- 2. There shall be a backup special tax to protect against unforeseen contingencies, including but not limited to unusual levels of delinquency in the payment of the special tax.
- 3. The rate and method of apportionment may provide for an annual increase in the maximum special tax to be levied on residential properties for facilities not to exceed two percent (2%) annually and shall provide for prepayment and discharge of that portion of the special tax obligation on any residential properties pertaining to debt service on special tax bonds, if any.

Any other special tax may escalate at a rate determined by the City Council and the City Council may provide that it is not subject to prepayment.

- 4. The total projected annual special tax revenues, less estimated annual administrative expenses, maintenance, services and pay-as-you-go program costs, shall be at least equal to the projected annual gross debt service on outstanding special tax bonds, if any.
- 5. All property within the CFD not otherwise statutorily exempted or owned (or to be owned) by a public entity and to be benefited shall bear its appropriate share of the special tax liability, as determined in the rate and method of apportionment of special taxes for the CFD.
- 6. The special tax shall be allocated and apportioned on the basis of reasonableness to all categories and classes of property within the CFD, as determined by the Council.
- 7. At the time of formation of a community facilities district, the total amount of projected *ad valorem* property tax and other direct and overlapping debt for the proposed CFD (including estimated CFD charges, projected benefit assessments, levies for authorized but unissued debt and any other anticipated municipal charges which may be included on a property owner's annual property tax bill), including the proposed maximum special tax, shall not exceed two and one-half percent (2½%) of the projected market value for any single family home, condominium or town home to be constructed in the community facilities district. Any deviations from the foregoing must be specifically approved by the Council.

Appraisal Standards

Unless otherwise approved by City staff in connection with an issuance of special tax bonds, the Appraisal Standards for Land Secured Financings (the "Standards") published by the California Debt and Investment Advisory Commission and dated July 2004 are adopted as the appraisal standards for the City.

RESOLUTION NO. __-14

RESOLUTION OF INTENTION TO ESTABLISH
A COMMUNITY FACILITIES DISTRICT

CITY OF OAKLEY
Community Facilities District No. 2015-1
(Emerson Ranch Maintenance)

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), this Council is authorized to establish a community facilities district and to act as its legislative body; and

WHEREAS, this Council, having received petitions from the owners of not less than 10% of the area of land proposed to be included in the proposed community facilities district, now desires to proceed with the establishment of such community facilities district to finance costs of certain services required to meet the demands of development of lands in the City.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, as follows:

1. **Authority.** This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Act.

2. **Name of CFD.** The name proposed for the community facilities district is "City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance)" (the "CFD").

3. **Boundaries Described.** The proposed boundaries of the CFD are as shown on the map of it on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the CFD in the office of the County Recorder within 15 days of the date of adoption of this Resolution.

4. **Services.** The type of services proposed to be financed by the CFD and pursuant to the Act shall consist of those listed in Exhibit A hereto and hereby incorporated herein (the "Services"). The Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within the area of the CFD. The Services are in addition to those provided in the territory of the CFD as of the date hereof and will not supplant services already available within the territory of the CFD as of the date hereof.

5. Special Tax. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto and hereby incorporated herein (the "Rate and Method"). This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

6. Exempt Property. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California, the County 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 and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax.

7. Election and Unanimous Approval. The levy of the Special Tax in the CFD shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD not exempt from the special tax.

8. CFD Report. The City Manager (or deputy or designee thereof) is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing (the "CFD Report"), which shall be a part of the record of the public hearing hereinafter specified and which report shall present the following:

(a) A description of the Services that will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith, and all other related costs.

9. Public Hearing. Tuesday, January 13, 2015, at 6:30 p.m. or as soon as possible thereafter, in the City Hall, Council Chambers, 3231 Main Street, Oakley, California, be, and the same are hereby appointed and fixed as the time and place

when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the levy of the Special Tax.

10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least 7 days before the date of the public hearing specified above.

The City Clerk may also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's address as it appears on the most recent tax records of the County or as otherwise known to the City Clerk to be correct. Such mailing shall be completed not less than 15 days before the date of the public hearing.

The notice of the public hearing shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

11. Appointment of Legal Counsel. The City Council hereby appoints Jones Hall, A Professional Law Corporation, as legal counsel to the City in connection with formation of the CFD. The City Manager is hereby authorized to execute a legal services agreement with Jones Hall in substantially the form and substance of the agreement on file with the City Clerk.

12. Effective Date. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 9th of December, 2014 by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

EXHIBIT A

CITY OF OAKLEY Community Facilities CFD No. 2015-1 (Emerson Ranch Maintenance)

DESCRIPTION OF SERVICES

The captioned Community Facilities District will finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982), including all related administrative costs, expenses and related reserves for replacement of vehicles, equipment and facilities:

Neighborhood Parks & Street Lighting

Maintenance, including servicing, repair, replacement and removal of neighborhood parks (includes park amenities such as playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Maintenance, including servicing, repair, replacement and removal of street lights (includes poles, fixtures, bulbs, conduits, equipment, including guys, anchors, posts, pedestals and metering devices, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric and other utility costs.

Community Parks

Maintenance, including servicing, repair, replacement and removal of community parks (includes park amenities such as buildings, sports fields, sports courts, playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbeques, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Neighborhood Landscaping

Maintenance, including servicing, repair, replacement and removal of parkways, landscape setbacks, landscaped roadway medians, open space, environmental preserves (including performance and management of environmental mitigation

monitoring and annual reporting), publicly-owned masonry walls, fences, monuments and features, trails, bike paths, etc., both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Regional Parks

Maintenance, including servicing, repair, replacement and removal of regional parks (includes park amenities such as buildings, sports fields, sports courts, playground equipment, play courts, play structures, picnic tables, lighting, drinking fountains, barbecues, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

Stormwater

Maintenance, including servicing, repair, replacement and removal of bio-retention facilities and drainage facilities (includes field inspections, record keeping, cost of permits and regulatory fees, environmental mitigation monitoring, annual reporting, vegetation management, removal of silt, sediment, trash and debris from the drainage areas, bio-retention basins and City catch basins, etc.), both (i) in the CFD and (ii) outside the CFD but within the boundaries of the City if the City has concluded that such maintenance would benefit the CFD. Maintenance also includes cleaning and removal of graffiti, and associated electric, water and other utility costs.

In addition, the following costs will also be financed by the special taxes levied within the CFD and be allocated to each improvement described above based upon their pro-rata share of needed administrative costs, operating reserves and capital reserves, and actual or estimated delinquencies.

1. Administrative expenses including the costs incurred to determine, levy and collect the special taxes, including compensation of City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the costs of collecting installments of the special taxes upon the general tax rolls, preparation of required reports, and any other costs incurred in the administration of the CFD by the City;
2. Any amounts needed for operating reserves and capital reserves; and
3. Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years.

EXHIBIT B

CITY OF OAKLEY Community Facilities CFD No. 2015-1 (Emerson Ranch Maintenance)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes in the City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance) (the "CFD" or "CFD No. 2015-1") shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2015-1, unless exempted by law or by the provisions of Section E herein, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2015-1, unless a separate Rate and Method of Apportionment of Special Tax is adopted for such annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of reduced size (e.g., granny cottage, etc.) that shares a Parcel with a Residential Unit.

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

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2015-1: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting the Special Taxes; the costs to the City, CFD No. 2015-1, or any designee thereof of complying with disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries, protests, or appeals regarding the Special Taxes; 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. 2015-1 for any other administrative purposes of CFD No. 2015-1, including attorney's fees, costs associated with

annexations to CFD No. 2015-1, and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

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

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

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

“Assessor’s Parcel Number” or **“APN”** means a unique number assigned to an Assessor’s Parcel by the County Assessor for purposes of identifying a property.

“Authorized Services” means the public services authorized to be funded by CFD No. 2015-1 as set forth in the documents adopted by the Council when CFD No. 2015-1 was formed.

“Building Permit” means a building permit issued by the City and having a building structure improvement valuation over \$50,000. Building Permits for the construction of ancillary structures such as fences, swimming pools, retaining walls, etc. are excluded.

“CFD” or **“CFD No. 2015-1”** means the City of Oakley Community Facilities District No. 2015-1 (Emerson Ranch Maintenance).

“City” means the City of Oakley.

“City Landscape Maintenance Standards” – means the then applicable landscape maintenance standards or then applicable level of service for then applicable landscape maintenance contracts executed by the City that are in effect and relate to similar landscaping improvements.

“City Manager” – means the City Manager of the City of Oakley.

“Commercial Parcel” means for each Fiscal Year, all Assessor Parcels designated by the County Assessor with a County Land Use Code of Commercial. If it is determined by the Administrator that the County Assessor has assigned an incorrect County Land Use Code or the assigned County Land Use Code does not correctly describe the intended or current use of the Taxable Parcel, the Administrator may assign a Land Use Classification to the Taxable Parcel described in Section C below.

“Commercial Parcel – In Compliance” this definition only applies for the purpose of calculating the annual neighborhood landscape maintenance tax component and means for each Fiscal Year, an Assessor Parcel designated by the County Assessor with a County Land Use Code of Commercial for which the Property Owner of the Commercial Parcel has notified the City in writing by the preceding February 1st that it wishes to maintain its parcel’s frontage landscaping during the immediate following fiscal year and the City Manager or his/her designee has determined that the Property Owner has maintained its Parcel’s frontage landscaping in previous Fiscal Years to City Landscape Maintenance Standards. In addition, in order for any Commercial Parcel to be defined as a Commercial Parcel – In Compliance, all Commercial Parcels within CFD No. 2015-1 must also be defined as Commercial Parcel – In Compliance.

“Commercial Parcel – Out of Compliance” this definition only applies for the purpose of calculating the annual neighborhood landscape maintenance tax component and means for each Fiscal Year, an Assessor Parcel designated by the County Assessor with a County Land Use Code of Commercial for which the Property Owner of the Commercial Parcel has not notified the City in writing by the preceding February 1st that it wishes to maintain its parcel’s frontage landscaping during the immediate following fiscal year and the City Manager or his/her designee has determined that the Property Owner has not maintained its Parcel’s frontage landscaping in previous Fiscal Years to City Landscape Maintenance Standards. In addition, if any Commercial Parcel is defined as a Commercial Parcel – Out of Compliance, then all Commercial Parcels within CFD No. 2015-1 will also be defined as Commercial Parcel – Out of Compliance.

“Commercial Unit” means an individual building structure for commercial uses as defined per the County Assessor.

“Council” means the City Council of the City of Oakley, acting as the legislative body for CFD No. 2015-1.

“County” means the County of Contra Costa.

“County Assessor” means the Contra Costa County Assessor.

“County Land Use Code” means the land use code assigned to an Assessor’s Parcel as indicated in the records of the County Assessor.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a Building Permit was issued by the City for construction of a Residential Unit or a Commercial Unit on or prior to June 30 of the preceding Fiscal Year. In the absence of a Building Permit, any Parcel of Taxable Property shall be classified as “Developed Property” if it has been occupied by a residential user as determined by the Administrator on or prior to June 30 of the preceding Fiscal Year.

“Final Map” or “Parcel Map” means a final map approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410, *et seq.*) that creates individual lots on which a Building Permit can be issued for construction of Residential Units without further subdivision of the lots.

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

“Land Use Classification” means the current or intended use of a Taxable Parcel as determined by the Taxable Parcel’s County Land Use Code.

“Maximum Special Tax” means, for each Special Tax Component, the maximum Special Tax, determined in accordance with Section C herein, which can be levied in any Fiscal Year.

“Property Owner” – means the Property Owner of record per current County Assessor records unless more current information is available such as recorded deed of sale, etc.

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

“Public Property” means, for each Fiscal Year: (i) any property within the boundaries of CFD No. 2015-1 that is owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 2015-1 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Residential Parcel” means, for each Fiscal Year, all Assessor Parcels designated by the County Assessor with a County Land Use Code of Residential. If it is determined by the Administrator that the County Assessor has assigned an incorrect County Land Use Code or the assigned County Land Use Code does not correctly describe the intended or current use of the Taxable Parcel, the Administrator may assign a Land Use Classification to the Taxable Parcel described in Section C below.

“Residential Unit” means an individual building structure for residential uses as defined per the County Assessor. An Accessory Unit that shares a Parcel with a

Residential Unit shall not be considered a separate Residential Unit for purposes of this RMA.

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

“Special Tax” means any tax levied within CFD No. 2015-1 to pay the Special Tax Requirement, and includes each Special Tax Component.

“Special Tax Component” means one of the following components of the Special Tax: Neighborhood Park & Street Lighting Maintenance Tax, Community Park Maintenance Tax, Neighborhood Landscape Maintenance Tax, Regional Park Maintenance Tax, or Stormwater Maintenance Tax.

“Special Tax Requirement” means, for each Special Tax Component, the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services related to the Special Tax Component; (ii) Administrative Expenses attributable to the Special Tax Component; and (iii) amounts needed to cover any delinquencies in the payment of the Special Tax Component which occurred in the previous Fiscal Year or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the Special Tax will be collected.

“Taxable Property” or **“Taxable Parcels”** means all Assessors' Parcels within the boundaries of CFD No. 2015-1 that are not exempt from the Special Tax pursuant to law or Section E herein.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property in CFD No. 2015-1 that are not classified as Developed Property.

B. DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel Numbers for all Parcels of Taxable Property within CFD No. 2015-1. The Administrator shall also determine: (i) whether each Assessor's Parcel of Taxable Property is Developed Property or Undeveloped Property, and (ii) the Special Tax Requirement for each Special Tax Component for the then-current Fiscal Year. Each Special Tax Component shall be levied only to pay for the related Special Tax Requirement.

In any Fiscal Year, if it is determined that (i) a Final Map or Parcel Map for a portion of property in CFD No. 2015-1 was recorded after the last date upon which the County Assessor will incorporate the newly-created Parcels into the then current tax roll, (ii) because of the date the Final Map or Parcel Map was recorded, the County Assessor does not yet recognize the new Parcels that will be created by the Final Map or Parcel Map, and (iii) one or more of the newly-created Parcels would meet the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the Final Map or Parcel Map by determining the Special Tax that applies separately to each new Parcel that will be

created by that Final Map or Parcel Map, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the Final Map or Parcel Map.

C. MAXIMUM SPECIAL TAXES

1. Developed Property - The Fiscal Year 2014-15 Maximum Special Tax for each Special Tax Component for all Parcels of Developed Property shall be as shown in Table 1 below:

Table 1: Developed Property		
Special Tax Component	Land Use Classification	FY 2014-15 Maximum Tax
Neighborhood Park & Street Lighting Maintenance Tax	Residential Parcel	\$270.00 per Parcel
Neighborhood Park & Street Lighting Maintenance Tax	Commercial Parcel	\$270.00 per Acre
Community Park Maintenance Tax	Residential Parcel	\$265.00 per Parcel
Community Park Maintenance Tax	Commercial Parcel	\$265.00 per Acre
Neighborhood Landscape Maintenance Tax	Residential Parcel	\$259.00 per Parcel
Neighborhood Landscape Maintenance Tax	Commercial-In Compliance Parcel	\$0.00 per Acre
Neighborhood Landscape Maintenance Tax	Commercial-Out of Compliance Parcel	\$1,968.75 per Acre
Regional Park Maintenance Tax	Residential Parcel	\$120.00 per Parcel
Regional Park Maintenance Tax	Commercial Parcel	\$120.00 per Acre
Stormwater Maintenance Tax	Residential Parcel	\$377.00 per Parcel
Stormwater Maintenance Tax	Commercial Parcel	\$1,508.00 per Acre

2. Undeveloped Property - The Fiscal Year 2014-15 Maximum Special Tax for each Special Tax Component for all Parcels of Undeveloped Property shall be as shown in Table 2 below:

Table 2: Undeveloped Property		
Special Tax Component	Land Use Classification	FY 2014-15 Maximum Tax
Neighborhood Park & Street Lighting Maintenance Tax	Residential Parcel	\$2,575.00 per Acre
Neighborhood Park & Street Lighting Maintenance Tax	Commercial Parcel	\$270.00 per Acre
Community Park Maintenance Tax	Residential Parcel	\$1,264.00 per Acre
Community Park Maintenance Tax	Commercial Parcel	\$132.50 per Acre
Neighborhood Landscape Maintenance Tax	Residential Parcel	\$2,470.00 per Acre
Neighborhood Landscape Maintenance Tax	Commercial-In Compliance Parcel	\$0.00 per Acre
Neighborhood Landscape Maintenance Tax	Commercial-Out of Compliance Parcel	\$1,968.75 per Acre
Regional Park Maintenance Tax	Residential Parcel	\$572.00 per Acre
Regional Park Maintenance Tax	Commercial Parcel	\$60.00 per Acre
Stormwater Maintenance Tax	Residential Parcel	\$3,596.00 per Acre
Stormwater Maintenance Tax	Commercial Parcel	\$1,508.00 per Acre

3. Escalation of Maximum Special Tax

On July 1, 2015, and each July 1 thereafter, the Maximum Special Tax for each Special Tax Component for the current Fiscal Year for Developed Property and Undeveloped Property shall be increased from the Maximum Special Tax for the respective Special Tax Component for the previous Fiscal Year by Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose, CA) (from February) with a minimum annual increase of three (3.00%) percent and a maximum annual increase of five (5.00%) percent for any given year.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAXES

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for each Special Tax Component for that Fiscal Year and levy each Special Tax Component on all Parcels of Taxable Property as follows:

Step 1: Each Special Tax Component shall be levied proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Special Tax Requirement for such Special Tax Component;

Step 2: If additional revenue is needed after Step 1, each Special Tax Component shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property for such Fiscal Year until the amount levied, when combined with the amount of the Special

Tax Component levied pursuant to Step 1, is equal to the Special Tax Requirement for such Special Tax Component.

The Special Tax for CFD No. 2015-1 shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 2015-1, and the Special Tax shall be subject to foreclosure if delinquent regardless of the manner in which it was collected.

E. EXEMPTIONS

No Special Tax shall be levied on Parcels of Public Property, except as otherwise provided in this RMA and in the Act.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City through a resolution of the Council for purposes of clarifying any vagueness or ambiguity in this RMA.

G. SAMPLE SPECIAL TAX CALCULATION

Set forth below is an example of the calculation of the Special Tax, based on a Fiscal Year 2014-15 calculation.

- 1) Calculate the Fiscal Year 2014-15 Special Tax Requirement for each Special Tax Component. Assume the Fiscal Year 2014-15 Special Tax Requirement for each Special Tax Component is as shown in Table 3 below:

Table 3 - Annual Requirement	
Special Tax Component	FY 2014-15 Special Tax Requirement
Neighborhood Park & Street Lighting Maintenance Tax	\$50,000.00
Community Park Maintenance Tax	\$20,000.00
Neighborhood Landscape Maintenance Tax	\$57,290.00
Regional Park Maintenance Tax	\$17,010.00
Stormwater Maintenance Tax	\$160,000.00
Total	\$304,300.00

- 2) For Fiscal Year 2014-15 assume that all of the Taxable Parcels within the boundaries of the CFD are classified as shown in Table 4 below:

Table 4: Taxable Parcels		
Parcel Classifications	No. of Parcels	Acreage
<i>Developed Parcels</i>		
Residential Parcel	210	N/A
Commercial Parcel	1	5.00
<i>Undeveloped Parcels</i>		
Residential Parcel	357	37.00
Commercial Parcel	1	17.88

- 3) Calculate the Fiscal Year 2014-15 Maximum Special Tax for each Taxable Parcel for each Special Tax Component separately as shown in Table 5 below.

Table 5: Maximum Special Tax for Taxable Parcels					
Parcel Classification	No. of Parcels	Acreage	FY 2014-15		FY 2014-15
			Maximum Special Tax Rate	Maximum Special Tax	
Neighborhood Park & Street Lighting Maintenance Tax					
<i>Developed Parcels</i>					
Residential Parcel	210	N/A	\$270.00	per Parcel	\$56,700.00
Commercial Parcel	1	5.00	\$270.00	per Acre	\$1,350.00
<i>Undeveloped Parcels</i>					
Residential Parcel	357	37.00	\$2,575.00	per Acre	\$95,275.00
Commercial Parcel	1	17.88	\$270.00	per Acre	\$4,827.60
Neighborhood Park & Street Lighting Subtotal					\$158,152.60
Community Park Maintenance Tax					
<i>Developed Parcels</i>					
Residential Parcel	210	N/A	\$265.00	per Parcel	\$55,650.00
Commercial Parcel	1	5.00	\$265.00	per Acre	\$1,325.00
<i>Undeveloped Parcels</i>					
Residential Parcel	357	37.00	\$1,264.00	per Acre	\$46,768.00
Commercial Parcel	1	17.88	\$132.50	per Acre	\$2,369.10
Community Park Maintenance Subtotal					\$106,112.10
Neighborhood Landscape Maintenance Tax					
<i>Developed Parcels</i>					
Residential Parcel	210	N/A	\$259.00	per Parcel	\$54,390.00
Commercial-In Compliance Parcel	0	0.00	\$0.00	per Acre	\$0.00
Commercial-Out of Compliance Parcel	1	5.00	\$1,968.75	per Acre	\$9,843.75
<i>Undeveloped Parcels</i>					
Residential Parcel	357	37.00	\$2,470.00	per Acre	\$91,390.00
Commercial-In Compliance Parcel	0	0.00	\$0.00	per Acre	\$0.00
Commercial-Out of Compliance Parcel	1	17.88	\$1,968.75	per Acre	\$35,201.25
Neighborhood Landscape Maintenance Subtotal					\$190,825.00
Regional Park Maintenance Tax					
<i>Developed Parcels</i>					
Residential Parcel	210	N/A	\$120.00	per Parcel	\$25,200.00
Commercial Parcel	0	5.00	\$120.00	per Acre	\$600.00
<i>Undeveloped Parcels</i>					
Residential Parcel	357	37.00	\$572.00	per Acre	\$21,164.00
Commercial Parcel	0	17.88	\$60.00	per Acre	\$1,072.80
Regional Park Maintenance Subtotal					\$48,036.80
Stormwater Maintenance Tax					
<i>Developed Parcels</i>					
Residential Parcel	210	N/A	\$377.00	per Parcel	\$79,170.00
Commercial Parcel	0	5.00	\$1,508.00	per Acre	\$7,540.00
<i>Undeveloped Parcels</i>					
Residential Parcel	357	37.00	\$3,596.00	per Acre	\$133,052.00
Commercial Parcel	0	17.88	\$1,508.00	per Acre	\$26,963.04
Stormwater Subtotal					\$246,725.04
Annual Total					\$749,851.54

- 4) Levy each Special Tax Component Proportionately on each Taxable Parcel of Developed Property up to 100% of the Maximum Special Tax until the amount levied is equal to the Special Tax Requirement for the Special Tax Component as shown in Table 6 below.

Table 6: Applied Special Tax for Taxable Parcels						
Parcel Classification	No. of Parcels	Acreage	FY 2014-15		FY 2014-15	FY 2014-15
			Maximum Special Tax Rate	Maximum Special Tax	Applied Special Tax	
Neighborhood Park & Street Lighting Maintenance Tax						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$270.00	per Parcel	\$56,700.00	\$48,837.21
Commercial Parcel	1	5.00	\$270.00	per Acre	\$1,350.00	\$1,162.79
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$2,575.00	per Acre	\$95,275.00	\$0.00
Commercial Parcel	1	17.88	\$270.00	per Acre	\$4,827.60	\$0.00
				Total	\$158,152.60	\$50,000.00
Community Park Maintenance Tax						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$265.00	per Parcel	\$55,650.00	\$19,534.88
Commercial Parcel	1	5.00	\$265.00	per Acre	\$1,325.00	\$465.12
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$1,264.00	per Acre	\$46,768.00	\$0.00
Commercial Parcel	1	17.88	\$132.50	per Acre	\$2,369.10	\$0.00
				Total	\$106,112.10	\$20,000.00
Neighborhood Landscape Maintenance Tax						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$259.00	per Parcel	\$54,390.00	\$48,510.37
Commercial - In Compliance Parcel	0	0.00	\$0.00	per Acre	\$0.00	\$0.00
Commercial - Out of Compliance Parcel	1	5.00	\$1,968.75	per Acre	\$9,843.75	\$8,779.63
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$2,470.00	per Acre	\$91,390.00	\$0.00
Commercial - In Compliance Parcel	0	0.00	\$0.00	per Acre	\$0.00	\$0.00
Commercial - Out of Compliance Parcel	1	17.88	\$1,968.75	per Acre	\$35,201.25	\$0.00
				Total	\$190,825.00	\$57,290.00
Regional Park Maintenance Tax						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$120.00	per Parcel	\$25,200.00	\$16,614.42
Commercial Parcel	1	5.00	\$120.00	per Acre	\$600.00	\$395.58
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$572.00	per Acre	\$21,164.00	\$0.00
Commercial Parcel	1	17.88	\$60.00	per Acre	\$1,072.80	\$0.00
				Total	\$48,036.80	\$17,010.00
Stormwater Maintenance Tax						
<i>Developed Parcels</i>						
Residential Parcel	210	N/A	\$377.00	per Parcel	\$79,170.00	\$79,170.00
Commercial Parcel	1	5.00	\$1,508.00	per Acre	\$7,540.00	\$7,540.00
<i>Undeveloped Parcels</i>						
Residential Parcel	357	37.00	\$3,596.00	per Acre	\$133,052.00	\$60,940.40
Commercial Parcel	1	17.88	\$1,508.00	per Acre	\$26,963.04	\$12,349.60
				Total	\$246,725.04	\$160,000.00
					\$749,851.54	\$304,300.00

- 5) Because the amount levied on Developed Property in Fiscal Year 2014-15 was equal, for each Special Tax Component, to the related Special Tax Requirement, it would not be necessary to levy the Special Tax on Undeveloped Property.

H. TERM OF THE SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to pay the Special Tax Requirement.

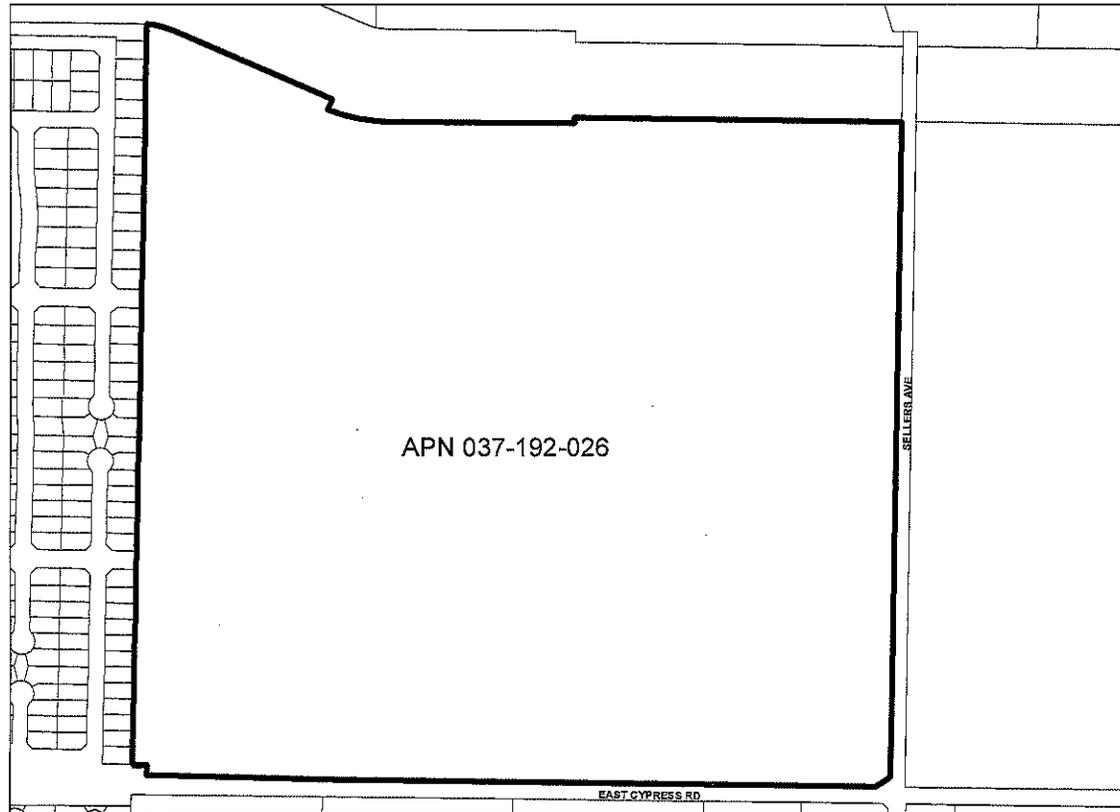
I. REPEAL OF THE SPECIAL TAX

CFD No. 2015-1 was established to levy the Special Tax to finance the Authorized Services as a condition of the entitlement to develop the Developed Property in CFD No. 2015-1. If the levy of the Special Tax is repealed by initiative or any other action participated in by the owners of Parcels in CFD No. 2015-1, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the Authorized Services for which the Special Tax was levied.

J. SEVERABILITY

The invalidity or unenforceability of any provisions of this Rate and Method of Apportionment of Special Tax shall not affect the validity or enforceability of any other provision of this Rate and Method of Apportionment of Special Tax, which shall remain in full force and effect.

PROPOSED BOUNDARY MAP
 CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2015-1
 (EMERSON RANCH MAINTENANCE)
 CITY OF OAKLEY
 COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF OAKLEY THIS
 _____ DAY OF _____, 2014.

 LIBBY VREONIS, CITY CLERK
 CITY OF OAKLEY
 CONTRA COSTA COUNTY
 STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES
 OF CITY OF OAKLEY COMMUNITY FACILITIES DISTRICT No. 2015-1, CITY
 OF OAKLEY, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, WAS
 APPROVED BY THE CITY COUNCIL OF THE CITY OF OAKLEY, AT A REGULAR
 MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2014, BY
 ITS RESOLUTION No. _____.

 LIBBY VREONIS, CITY CLERK
 CITY OF OAKLEY
 CONTRA COSTA COUNTY
 STATE OF CALIFORNIA

FILED THIS _____ DAY OF _____, 2014, AT THE HOUR OF _____
 _____ M IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES
 DISTRICTS AT PAGE _____, DOCUMENT No. _____ IN THE OFFICE
 OF THE COUNTY RECORDER IN CONTRA COSTA COUNTY, STATE OF CALIFORNIA.

 COUNTY RECORDER
 CONTRA COSTA COUNTY
 STATE OF CALIFORNIA

Legend

PROPOSED DISTRICT BOUNDARY

PARCELS

ASSESSOR PARCELS WITHIN BOUNDARY; FOR PARTICULARS OF LINES
 AND DIMENSIONS OF PARCELS, REFERENCE IS MADE TO THE ASSESSOR
 PARCEL MAPS OF CONTRA COSTA COUNTY FOR ASSESSOR PARCEL
 NUMBER 037-192-026.