

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
Margaret McCahan

**SUBJECT: INTENTION TO FORM
COMMUNITY FACILITIES
DISTRICT NO. 17**

DATE: May 21, 2018

Approved

D. D. Syl

Date

5/31/18

COUNCIL DISTRICT: 8

RECOMMENDATION

- (a) Accept the landowner petitions requesting the institution of proceedings for the establishment of a community facilities district.
- (b) Approve an agreement with Civic South Bay, LLC and Arcadia Development Co. to fund the City's costs in investigating the feasibility of a community facilities district for the maintenance of landscape and hardscape improvements within the Evergreen area and conducting formation proceedings.
- (c) Adopt a resolution of intention to:
 - (1) Form Community Facilities District No. 17 (Capitol Expy - Evergreen Place);
 - (2) Levy a special tax on land within Community Facilities District No. 17;
 - (3) Set a public hearing for August 14, 2018 at 1:30 p.m. regarding the district formation; and
 - (4) Hold an election immediately following the close of public hearing.
- (d) Establish the Community Facilities District No. 17 (Capitol Expy – Evergreen Place) Fund pursuant to Chapter 14.27 of the San José Municipal Code.
- (e) Adopt the following 2017-2018 Appropriation Ordinance and Funding Sources Resolution amendments the Community Facilities District No. 17 (Capitol Expy – Evergreen Place) Fund:
 - (1) Establish an appropriation for the Community Facilities District No. 17 Feasibility Project to the Department of Public Works in the amount of \$37,629; and
 - (2) Establish estimated revenue from Developer Contributions in the amount of \$37,629.

OUTCOME

Approval of the agreement and adoption of the resolution will allow staff to investigate the feasibility of forming the community facilities district and will initiate the district formation process, which will

satisfy the requirement to present affected property owners with the opportunity to vote on the proposed new tax.

BACKGROUND

On December 9, 2014, Council adopted an ordinance rezoning certain real property on the easterly side of East Capitol Expressway, southerly of Quimby Road, and northerly of Meadow Fair Park through Planned Development Rezoning File No. PDC10-022 to allow up to 250 residential units, up to 344,000 square feet of commercial/retail uses, and 17 acres of public parkland on an 81 gross acre site. This development is more commonly known as Evergreen Circle. Included with the development plans for the project is the creation of new public streets, a vehicular roundabout, stormwater treatment facilities, enhanced landscaping within the public right of way, and various park improvements.

The property owners, Civic South Bay, LLC and Arcadia Development Co., who collectively own 100% of the land area in the proposed community facilities district ("Landowners"), have filed petitions with the City Clerk's Office, requesting that the City initiate proceedings to establish the community facilities district to fund the long-term maintenance of a portion of the public improvements contemplated by this project. Some of the public improvements proposed to be maintained by the community facilities district are enhanced landscape and hardscape in median islands, roundabouts and parkstrips. The Landowners' petitions include a waiver of the statutory election requirements for notices and other procedures, allowing the election schedule to be accelerated. Landowners executed the deposit agreement being recommended for Council approval, which would fund the City's costs to investigate the feasibility of forming a new district for its project and provided a \$37,629 deposit for the City's staff costs for forming this community facilities district.

ANALYSIS

The recommended agreement with Landowners provides funding for City staff to investigate the feasibility of forming a community facilities district, and performing the steps required for formation. The agreement requires Landowners to deposit \$37,629 with the City to fund staff costs and other fees associated with the district formation process. If the City's costs exceed the initial deposit, the agreement includes provisions for additional funding by Landowners. In the event that the City does not wholly expend the deposit amount, the agreement requires a refund of unspent funds to Landowners.

In conjunction with the agreement, staff recommends Council initiate formation proceedings to form Community Facilities District (CFD) 17. The proposed boundaries of CFD 17 are identified in Attachment A, the proposed services are listed in Attachment B, and the maximum annual special tax is specified in the Rate and Method of Apportionment included as Attachment C. The maximum annual special tax will be adjusted annually based on the change in the annual average of the Consumer Price Index, All Urban Consumers, for the San Francisco-Oakland-San Jose Area (hereafter "CPI"). The table below provides a summary of the maximum annual special tax:

CFD formations must be in accordance with the Community Facilities District Financing Procedure contained in the San José Municipal Code, Chapter 14.27, which incorporates and modifies the Mello

Roos Community Facilities Act of 1982. In order to form a CFD, two-thirds of the qualified electors within the boundaries of the proposed CFD casting ballots are required to approve the formation and special tax. In the case where fewer than 12 registered voters reside within the proposed district, as in the case with CFD 17, the property owners cast votes which are apportioned according to acreage.

The schedule below has been accelerated in anticipation of unanimous waivers submitted by the property owners within the district of the statutory election noticing and other procedural requirements. The proposed schedule of events for the formation of CFD 17 is as follows:

1.	City Council	Adopt a Resolution of Intention Set Public Hearing Set Election	06/12/2018
2.	Public Works	Mail Ballots and Notice of Public Hearing to Property Owners	07/16/2018
3.	City Clerk	Publish Notice of Public Hearing	08/07/2018
4.	City Council	Conduct Public Hearing and Election	08/14/2018

A notice of public hearing, along with the election ballots, will be mailed to the property owners in the proposed CFD 17 on or before July 16, 2018. A separate Notice of Public Hearing will be published in accordance with applicable law on August 7, 2018. The notice will include the text of the Resolution of Intention, the time and place of the hearing, a statement that public testimony will be heard, a description of the voting procedure and all other information required by law. Each completed ballot must be received by the City Clerk prior to the close of the public hearing in order to be included in the tabulation. Although this is a mailed ballot election, the property owners may submit their ballot to the City Clerk at the hearing.

The Public Hearing on August 14, 2018 will allow for public testimony to be presented to Council. Council must consider all objections or protests to the proposed special tax. At the close of the Public Hearing, if a majority of qualified electors have not protested the formation of the district, Council may proceed with the formation process and conduct a special election whereby the property owners will cast ballots in favor of or opposed to the special tax, with votes weighted by the acreage of land owned. At the close of the public hearing, Council also may abandon the formation process whether or not a majority protest has been received. If approved, the proposed special tax will commence in Fiscal Year 2019-2020 and will be adjusted by the CPI annually thereafter.

EVALUATION AND FOLLOW-UP

On August 14, 2018, the City Council will conduct a Public Hearing, and if it chooses to proceed with formation, a special election will be held immediately following the Public Hearing. If CFD 17 is approved, staff will propose appropriation and funding sources recommendations for Council approval through the regular budget process to provide future annual district services.

POLICY ALTERNATIVES

Because the required petition to institute proceedings and the associated fee have been received from the Landowners, Council is required to institute proceedings to establish CFD 17. Council may, but is not required to, establish CFD 17 after holding the public hearing.

PUBLIC OUTREACH

These actions were initiated at the request of the Landowners, and prepared by staff. City staff has met with the Landowners regularly regarding the district and their development plans. Staff will mail the notice of the proposed special tax with ballots to the property owners.

This memorandum will be posted on the City's website for the June 12, 2018, City Council agenda.

COORDINATION

This memorandum, related documents and resolutions were prepared in coordination with the Departments of Transportation, Planning, Building and Code Enforcement, the City Attorney's Office, and the City Clerk's Office.

COMMISSION RECOMMENDATION

The Planned Development Rezoning File No. PDC10-022 to allow up to 250 residential units, up to 344,000 square feet of commercial/retail uses, and 17 acre of parkland was presented to the Planning Commission on November 19, 2014, and the Planning Commission voted 7-0-0 to recommend approval to the City Council.

FISCAL/POLICY ALIGNMENT

These actions comply with Council-approved budget strategy, as staff costs are funded by Developer's deposit. If district formation is approved by the qualified voters, the costs of services provided through the district will be funded through annual special taxes on the properties within the district.

COST SUMMARY/IMPLICATIONS

The Landowners have submitted a deposit of \$37,629 to pay for district formation costs, which would be received into the newly-established Community Facilities District No. 17 Fund. Any unused funds will be returned to the developer. However, if all funds are exhausted prior to the certification of election results, the developer must provide additional funds to continue the process.

BUDGET REFERENCE

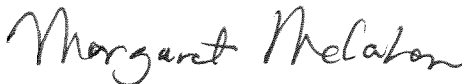
The table below identifies the fund and appropriation proposed for the future project.

Fund #	Appn #	Appn. Name	Total Appn.	Rec. Budget Action	2017-2018 Adopted Operating Budget	Last Budget Action (Date, Ord. No.)
NEW	R240	Developer Contributions	N/A	\$37,629	N/A	N/A
NEW	NEW	Community Facilities District No. 17 Feasibility Project	N/A	\$37,629	N/A	N/A

CEQA

Determination of Consistency to the Evergreen East Hills Vision Strategy Supplemental (Resolution No. 74742), and Addenda thereto, File No. PDC10-022.

/s/
 MATT CANO
 Director of Public Works

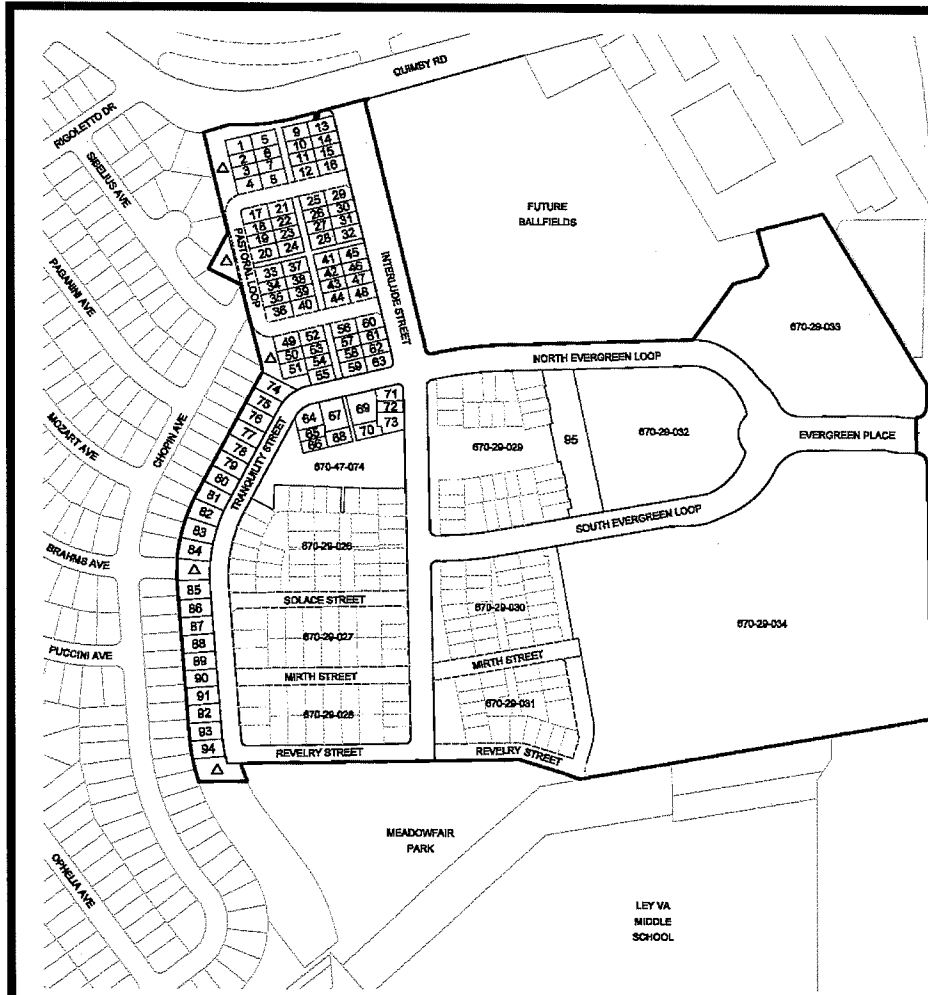

 MARGARET MCCAHAN
 Budget Director

I hereby certify that there will be available for appropriation in the Community Facilities District #17 (Capitol Expy – Evergreen Place) Fund in the Fiscal Year 2017-2018 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$37,629.


 MARGARET MCCAHAN
 Budget Director

- Attachments:
 Attachment A - Proposed Boundaries Map
 Attachment B - Description of Services
 Attachment C - Rate and Method of Apportionment of Special Tax

For questions please contact Thomas Borden, Program Manager, Public Works Department, at (408) 535-6831.



REF. NO.	APN	REF. NO.	APN
1	670-47-016	49	670-47-048
2	670-47-015	50	670-47-050
3	670-47-014	51	670-47-051
4	670-47-013	52	670-47-052
5	670-47-012	53	670-47-053
6	670-47-011	54	670-47-054
7	670-47-010	55	670-47-055
8	670-47-009	56	670-47-056
9	670-47-008	57	670-47-057
10	670-47-007	58	670-47-058
11	670-47-006	59	670-47-059
12	670-47-005	60	670-47-060
13	670-47-004	61	670-47-061
14	670-47-003	62	670-47-062
15	670-47-002	63	670-47-063
16	670-47-001	64	670-47-071
17	670-47-000	65	670-47-070
18	670-47-030	66	670-47-065
19	670-47-031	67	670-47-072
20	670-47-032	68	670-47-068
21	670-47-025	69	670-47-073
22	670-47-028	70	670-47-067
23	670-47-027	71	670-47-064
24	670-47-028	72	670-47-065
25	670-47-021	73	670-47-066
26	670-47-022	74	670-48-011
27	670-47-023	75	670-48-002
28	670-47-024	76	670-48-003
29	670-47-017	77	670-48-004
30	670-47-018	78	670-48-005
31	670-47-018	79	670-48-006
32	670-47-020	80	670-48-007
33	670-47-036	81	670-48-008
34	670-47-035	82	670-48-009
35	670-47-034	83	670-48-010
36	670-47-033	84	670-48-011
37	670-47-040	85	670-48-012
38	670-47-036	86	670-48-013
39	670-47-038	87	670-48-014
40	670-47-037	88	670-48-015
41	670-47-044	89	670-48-016
42	670-47-043	90	670-48-017
43	670-47-042	91	670-48-018
44	670-47-041	92	670-48-019
45	670-47-048	93	670-48-020
46	670-47-047	94	670-48-021
47	670-47-046	95	670-48-022
48	670-47-045		

CERTIFICATIONS

(1) CITY CLERK
 FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN JOSE THIS _____ DAY OF _____, 2018.

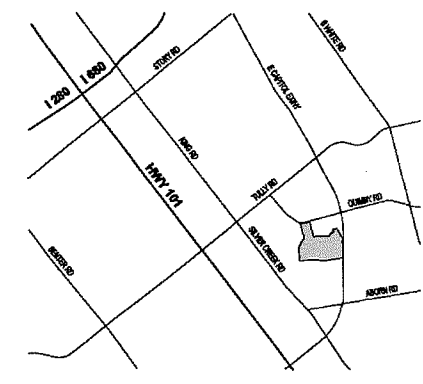
TONI J. TABER, CMC
 CITY CLERK

(2) CITY COUNCIL
 I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 17 (CAPITOL EXPY - EVERGREEN PLACE), CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF SAN JOSE AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2018 BY ITS RESOLUTION NO. _____

TONI J. TABER, CMC
 CITY CLERK

(3) COUNTY RECORDER
 FILED THIS _____ DAY OF _____, 2018, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF AMBENMENT AND COMMUNITY FACILITIES AT PAGES _____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA.
 REORDER# SERIES NO. _____ FEE PAID: _____

REGINA ALEXANDROVA
 COUNTY RECORDER, COUNTY OF SANTA CLARA

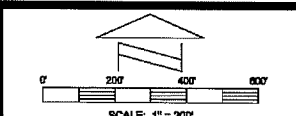


LOCATION MAP

CITY OF SAN JOSE
 CAPITAL OF SILICON VALLEY
 PUBLIC WORKS DEPARTMENT
 COMMUNITY FACILITIES DIVISION
 BY: [Signature]

LEGEND

1	PROPOSED BOUNDARY LINE	---	STREET RIGHT OF WAY
123-44-478	REFERENCE NUMBER	---	FUTURE RIGHT OF WAY
△	ASSESSOR'S PARCEL NUMBER	---	PROPERTY LINE
	RENDERAL COMMON AREA	---	FUTURE PROPERTY LINE
		---	PRIVATE STREET



CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA
PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 17
 (CAPITOL EXPY - EVERGREEN PLACE)
 FISCAL YEAR 2018-2019
 SHEET 1 OF 1

ATTACHMENT B

CITY OF SAN JOSE COMMUNITY FACILITIES DISTRICT NO. 17 (CAPITOL EXPY – EVERGREEN PLACE)

DESCRIPTION OF SERVICES

The Services proposed to be financed by Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (the “CFD No. 17”) of the City of San José will provide for the maintenance of various improvements associated and approved within the Evergreen Area. 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 of items identifies those improvements and amenities which are authorized to be funded by CFD No. 17; however, not all items on this list are guaranteed to be funded by the CFD.

Items Authorized to be Maintained

- Parkstrip landscape fronting the residential development and regional park along the public right-of-way (Quimby Road excluded)
- Median Island landscape
- Roundabout landscape
- Pork chop island landscape
- Tree maintenance within district maintained landscape
- Hardscape in district maintained median islands, roundabout, pork chop islands, and parkstrips
- Decorative crosswalks along residential development
- Graffiti removal on district maintained public improvements

ATTACHMENT C

CITY OF SAN JOSE COMMUNITY FACILITIES DISTRICT NO. 17 (CAPITOL EXPY – EVERGREEN PLACE)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Community Facilities District No. 17 (Capitol Expy – Evergreen Place) of the City of San Jose ("CFD No. 17") and collected each Fiscal Year commencing in Fiscal Year 2019-2020 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. 17, 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. 17: 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. 17, 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. 17 for any other administrative purposes of CFD No. 17, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

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

ATTACHMENT C

“Assessor’s Parcel Map” means an official map of the 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, landscape and hardscape) and other maintenance services eligible to be funded by CFD No. 17, as defined in the Resolution of Intention.

“Building Permit” means, full structural building permits as well as partial permits such as foundation-only permits.

“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. 17” means Community Facilities District No. 17 (Capitol Expy – Evergreen Place) of the City of San José.

“City” means the City of San José.

“Consumer Price Index” or “CPI” means, for each Fiscal Year, the prior calendar 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. 17.

“County” means the County of Santa Clara.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a Planning or Building has been issued on or before June 30 of the prior Fiscal Year. Notwithstanding the foregoing, (a) if a building permit is revoked, expired or otherwise cancelled and a new building permit is issued for the same property, then the building type as indicated on the new building permit shall thereafter be used for purposes of determining the Land Use Class, and (b) if a building permit is revoked, expired or otherwise cancelled and no new building permit is issued for the same property, then the property will continue to be considered Developed Property and taxed based on the original building permit.

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

“Land Use Class” means any of the classes in Section 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 each Assessor’s Parcel within the boundaries of CFD No. 17.

ATTACHMENT C

“Non-Residential Property” means a Parcel of Developed Property within the boundaries of CFD No. 17 for which a Planning, Building, or Public Works permit(s) was issued for a non-residential use.

“Planning Permit” means a tentative map, parcel map, conditional use permit, site development permit, planned development permit, development agreement, or special use permit, or any discretionary permit excluding general plan amendments, zoning and rezoning, annexation, specific plans, and area development policies.

“Public Property” means property within the boundaries of CFD No. 17 owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, the City, or any 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. 17.

“Residential Property” means any Parcel of Developed Property within the boundaries of CFD No. 17 for which a building permit for new construction has been issued for purposes of constructing one or more residential dwelling units.

“Resolution of Formation” means the Council resolution declaring the results of the special election for CFD No. 17.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 17 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. 17 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. 17, (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.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 17 which are not exempt from the Special Tax pursuant to law or Section E below.

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

ATTACHMENT C

B. ASSIGNMENT TO LAND USE CLASSES

Each Fiscal Year, all Taxable Property shall be classified as Developed Property, Undeveloped Property and Public Property and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATES

The Maximum Special Tax for each Land Use Class for Fiscal Year 2019-2020 is as shown below.

Land Use Class	Taxable Property	Taxable Unit	Maximum Special Tax
1	Residential	Dwelling Unit	\$396.64
2	Non-Residential	Acre	\$880.48
3	Undeveloped	Acre	\$586.98

On each July 1, commencing on July 1, 2021, the Maximum Special Tax shall be adjusted based on the prior calendar year's average annual 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.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2019-2020 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 each Fiscal Year as follows:

- Step 1: Determine the Special Tax Requirement for the Fiscal Year in which the Special Tax will be collected.
- Step 2: Calculate the total Special Tax revenues that could be collected from Developed and Undeveloped Property within the CFD based on application of the Maximum Special Tax rates determined pursuant to Section C above.
- Step 3: If the amount determined in Step 1 is greater than the amount calculated in Step 2, levy the Maximum Special Tax on all Parcels of Developed and Undeveloped Property pursuant to Section C above. Even though the Special Tax Requirement is greater than the total Special Tax revenues that can be collected in the CFD, only the Maximum Special Tax may be collected unless a higher Maximum Special Tax

ATTACHMENT C

is approved by two-thirds of the Electors voting in an election to increase the Maximum Special Tax.

If the amount determined in Step 1 is equal to the amount calculated in Step 2, levy the Maximum Special Tax on all Parcels of Developed and Undeveloped Property pursuant to Section C above.

If the amount determined in Step 1 is less than the amount calculated in Step 2, levy the Special Tax on all Parcels of Developed and Undeveloped Property in equal percentages up to 100% of the Maximum Special Tax for each Parcel until the amount of the Special Tax levy equals the Special Tax Requirement for that Fiscal Year

E. EXEMPTIONS / LIMITATIONS

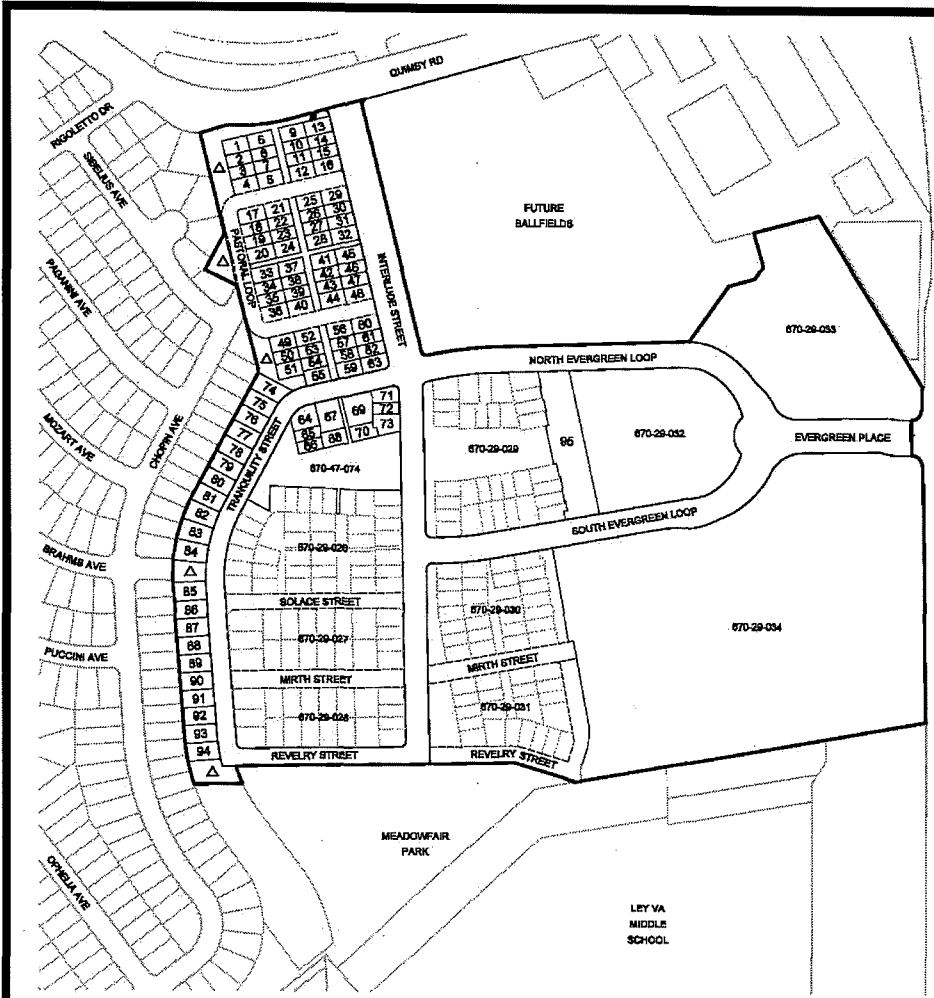
Notwithstanding any other provision of this Rate and Method of Apportionment, no Special Tax shall be levied on land that is Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Mello-Roos Community Facilities Act of 1982.

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. 17 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.



REF. NO.	APN	REF. NO.	APN
1	870-47-018	48	870-47-048
2	870-47-018	50	870-47-050
3	870-47-014	51	870-47-051
4	870-47-013	52	870-47-052
5	870-47-012	53	870-47-053
6	870-47-011	54	870-47-054
7	870-47-010	55	870-47-055
8	870-47-009	56	870-47-056
9	870-47-008	57	870-47-057
10	870-47-007	58	870-47-058
11	870-47-006	59	870-47-059
12	870-47-005	60	870-47-060
13	870-47-004	61	870-47-061
14	870-47-003	62	870-47-062
15	870-47-002	63	870-47-063
16	870-47-001	64	870-47-071
17	870-47-028	65	870-47-070
18	870-47-030	66	870-47-069
19	870-47-031	67	870-47-072
20	870-47-032	68	870-47-068
21	870-47-025	69	870-47-073
22	870-47-026	70	870-47-067
23	870-47-027	71	870-47-084
24	870-47-028	72	870-47-085
25	870-47-021	73	870-47-086
26	870-47-022	74	870-46-001
27	870-47-023	75	870-46-002
28	870-47-024	76	870-46-003
29	870-47-017	77	870-46-004
30	870-47-016	78	870-46-005
31	870-47-019	79	870-46-006
32	870-47-020	80	870-46-007
33	870-47-038	81	870-46-008
34	870-47-036	82	870-46-009
35	870-47-034	83	870-46-010
36	870-47-033	84	870-46-011
37	870-47-040	85	870-46-012
38	870-47-039	86	870-46-013
39	870-47-030	87	870-46-014
40	870-47-027	88	870-46-015
41	870-47-044	89	870-46-016
42	870-47-043	90	870-46-017
43	870-47-042	91	870-46-018
44	870-47-041	92	870-46-019
45	870-47-048	93	870-46-020
46	870-47-047	94	870-46-021
47	870-47-046	95	870-29-030
48	870-47-045		

CERTIFICATIONS

(1) CITY CLERK:
 FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN JOSE THIS _____ DAY OF _____ 2018.

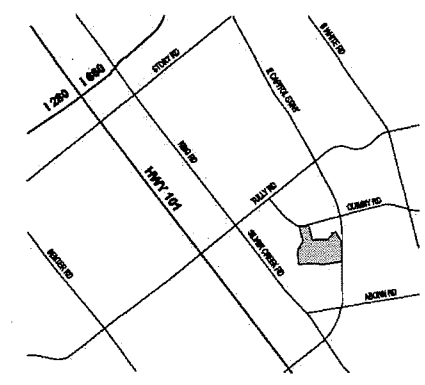
 TONI J. TABER, OMG
 CITY CLERK

(2) CITY COUNCIL:
 I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 17 (CAPITOL EXPY - EVERGREEN PLACE), CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF SAN JOSE AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____ 2018 BY ITS RESOLUTION NO. _____

TONI J. TABER, OMC
 CITY CLERK

(3) COUNTY RECORDER:
 FILED THIS _____ DAY OF _____, 2018, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES AT _____ PAGES _____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA.
 RECORDER'S SERIES NO. _____ FEE PAID: _____

RESUMA ALCONCORNIA
 COUNTY RECORDER, COUNTY OF SANTA CLARA

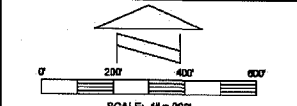


LOCATION MAP

CITY OF SAN JOSE
 CAPITAL OF SILICON VALLEY PUBLIC WORKS DEPARTMENT
 COMMUNITY FACILITIES DIVISION
 BY: [Signature]

LEGEND

—	PROPOSED BOUNDARY LINE	—	STREET RIGHT OF WAY
1	REFERENCE NUMBER	—	FUTURE RIGHT OF WAY
133-46-676	ASSessor'S PARCEL NUMBER	—	PROPERTY LINE
△	RESIDENTIAL COMMON AREA	—	FUTURE PROPERTY LINE
		—	PRIVATE STREET



CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA
PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 17
 (CAPITOL EXPY - EVERGREEN PLACE)
 FISCAL YEAR 2018-2019

ATTACHMENT B

CITY OF SAN JOSE COMMUNITY FACILITIES DISTRICT NO. 17 (CAPITOL EXPY – EVERGREEN PLACE)

DESCRIPTION OF SERVICES

The Services proposed to be financed by Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (the “CFD No. 17”) of the City of San José will provide for the maintenance of various improvements associated and approved within the Evergreen Area. 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 of items identifies those improvements and amenities which are authorized to be funded by CFD No. 17; however, not all items on this list are guaranteed to be funded by the CFD.

Items Authorized to be Maintained

- Parkstrip landscape fronting the residential development and regional park along the public right-of-way (Quimby Road excluded)
- Median Island landscape
- Roundabout landscape
- Pork chop island landscape
- Tree maintenance within district maintained landscape
- Hardscape in district maintained median islands, roundabout, pork chop islands, and parkstrips
- Decorative crosswalks along residential development
- Graffiti removal on district maintained public improvements

ATTACHMENT C

CITY OF SAN JOSE COMMUNITY FACILITIES DISTRICT NO. 17 (CAPITOL EXPY – EVERGREEN PLACE)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax, hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Community Facilities District No. 17 (Capitol Expy – Evergreen Place) of the City of San Jose ("CFD No. 17") and collected each Fiscal Year commencing in Fiscal Year 2019-2020 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. 17, 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. 17: 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. 17, 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. 17 for any other administrative purposes of CFD No. 17, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

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

ATTACHMENT C

“Assessor’s Parcel Map” means an official map of the 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, landscape and hardscape) and other maintenance services eligible to be funded by CFD No. 17, as defined in the Resolution of Intention.

“Building Permit” means, full structural building permits as well as partial permits such as foundation-only permits.

“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. 17” means Community Facilities District No. 17 (Capitol Expy – Evergreen Place) of the City of San José.

“City” means the City of San José.

“Consumer Price Index” or “CPI” means, for each Fiscal Year, the prior calendar 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. 17.

“County” means the County of Santa Clara.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a Planning or Building has been issued on or before June 30 of the prior Fiscal Year. Notwithstanding the foregoing, (a) if a building permit is revoked, expired or otherwise cancelled and a new building permit is issued for the same property, then the building type as indicated on the new building permit shall thereafter be used for purposes of determining the Land Use Class, and (b) if a building permit is revoked, expired or otherwise cancelled and no new building permit is issued for the same property, then the property will continue to be considered Developed Property and taxed based on the original building permit.

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

“Land Use Class” means any of the classes in Section 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 each Assessor’s Parcel within the boundaries of CFD No. 17.

ATTACHMENT C

“Non-Residential Property” means a Parcel of Developed Property within the boundaries of CFD No. 17 for which a Planning, Building, or Public Works permit(s) was issued for a non-residential use.

“Planning Permit” means a tentative map, parcel map, conditional use permit, site development permit, planned development permit, development agreement, or special use permit, or any discretionary permit excluding general plan amendments, zoning and rezoning, annexation, specific plans, and area development policies.

“Public Property” means property within the boundaries of CFD No. 17 owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, the City, or any 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. 17.

“Residential Property” means any Parcel of Developed Property within the boundaries of CFD No. 17 for which a building permit for new construction has been issued for purposes of constructing one or more residential dwelling units.

“Resolution of Formation” means the Council resolution declaring the results of the special election for CFD No. 17.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 17 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. 17 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. 17, (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.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 17 which are not exempt from the Special Tax pursuant to law or Section E below.

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

ATTACHMENT C

B. ASSIGNMENT TO LAND USE CLASSES

Each Fiscal Year, all Taxable Property shall be classified as Developed Property, Undeveloped Property and Public Property and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATES

The Maximum Special Tax for each Land Use Class for Fiscal Year 2019-2020 is as shown below.

Land Use Class	Taxable Property	Taxable Unit	Maximum Special Tax
1	Residential	Dwelling Unit	\$396.64
2	Non-Residential	Acre	\$880.48
3	Undeveloped	Acre	\$586.98

On each July 1, commencing on July 1, 2021, the Maximum Special Tax shall be adjusted based on the prior calendar year's average annual 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.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2019-2020 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 each Fiscal Year as follows:

- Step 1: Determine the Special Tax Requirement for the Fiscal Year in which the Special Tax will be collected.
- Step 2: Calculate the total Special Tax revenues that could be collected from Developed and Undeveloped Property within the CFD based on application of the Maximum Special Tax rates determined pursuant to Section C above.
- Step 3: If the amount determined in Step 1 is greater than the amount calculated in Step 2, levy the Maximum Special Tax on all Parcels of Developed and Undeveloped Property pursuant to Section C above. Even though the Special Tax Requirement is greater than the total Special Tax revenues that can be collected in the CFD, only the Maximum Special Tax may be collected unless a higher Maximum Special Tax

ATTACHMENT C

is approved by two-thirds of the Electors voting in an election to increase the Maximum Special Tax.

If the amount determined in Step 1 is equal to the amount calculated in Step 2, levy the Maximum Special Tax on all Parcels of Developed and Undeveloped Property pursuant to Section C above.

If the amount determined in Step 1 is less than the amount calculated in Step 2, levy the Special Tax on all Parcels of Developed and Undeveloped Property in equal percentages up to 100% of the Maximum Special Tax for each Parcel until the amount of the Special Tax levy equals the Special Tax Requirement for that Fiscal Year

E. EXEMPTIONS / LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment, no Special Tax shall be levied on land that is Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Mello-Roos Community Facilities Act of 1982.

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. 17 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.