

**CITY OF MODESTO  
COMMUNITY FACILITIES DISTRICT NO. 2016-2  
(VINTAGE MAINTENANCE)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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A Special Tax applicable to each Assessor's Parcel in the City of Modesto Community Facilities District No. 2016-2 (Vintage Maintenance) 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. 2016-2, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD, unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**"Acre" or "Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other 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 any or all of the following: expenses incurred by the City in carrying out its duties with respect to CFD No. 2016-2, including, but not limited to, levying and collecting the Special Tax; the fees and expenses of legal counsel; charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office; costs related to property owner inquiries regarding the Special Tax; and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

**"Administrator"** means the person or firm designated by the City to administer the Special Tax according to this RMA.

**"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 the CFD as set forth in the documents adopted by the City Council when the CFD was formed.

**“CFD”** or **“CFD No. 2016-2”** means the City of Modesto Community Facilities District No. 2016-2 (Vintage Maintenance).

**“CFD Formation”** means the date on which the Resolution of Formation to form CFD No. 2016-2 was adopted by the City Council.

**“City”** means the City of Modesto.

**“City Council”** means the City Council of the City of Modesto, acting as the legislative body of CFD No. 2016-2.

**“Commercial Property”** means all Parcels of Taxable Property for which a building permit has been or may be issued for construction of a commercial building, as determined by the City.

**“County”** means the County of Stanislaus.

**“Developed Property”** means, in any Fiscal Year, the following:

- for Single Family Residential Property, all Parcels of Taxable Property for which a Final Map was recorded prior to June 30 of the preceding Fiscal Year;
- for Multi-Family Property, all Parcels of Taxable Property for which a building permit for new construction of a residential structure was issued prior to June 30 of the preceding Fiscal Year; and
- for Commercial Property, all Parcels of Taxable Property for which a building permit for construction of a commercial structure was issued prior to June 30 of the preceding Fiscal Year.

**“Escalation Factor”** means, in any Fiscal Year, the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%).

**“Final 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 Class”** means one of the three mutually-exclusive land use classes identified in Table 1 in Section C below and defined in this Section A.

**“Maximum Special Tax”** means the maximum special tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

**“Multi-Family Property”** means all Parcels of Taxable Property for which a building permit has been or may be issued for construction of a residential structure consisting of two or more residential units that share common walls, including but not limited to, townhomes, condominiums, duplexes, triplexes, fourplexes, and apartment units.

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

**“Public Property”** means, in any Fiscal Year: (i) all Parcels within the boundaries of the CFD that are 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; and (ii) all Parcels within the boundaries of the CFD that are encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

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

**“SFR Lot”** means an individual numbered lot which is in its final configuration and for which a building permit may be issued for a single family residential unit.

**“Single Family Residential Property”** means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit has been or may be issued for construction of a residential structure on an SFR Lot.

**“Special Tax”** means a special tax levied in any Fiscal Year to pay the Special Tax Requirement, as defined below.

**“Special Tax Requirement”** means the amount of revenue needed in any Fiscal Year to pay for: (i) Authorized Services, (ii) establishment of reserves, (iii) Administrative Expenses, and (iv) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred in prior Fiscal Years.

**“Taxable Property”** means all Assessor’s Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section F below.

**“Taxable Public Property”** means, in any Fiscal Year, all Parcels of Public Property within the CFD that, (i) based on a tentative map or other development plan, were expected to be Taxable Property and, (ii) based on this expectation, Maximum Special Taxes were assigned to the Parcels in prior Fiscal Years.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 2016-2 that are not Developed Property.

**B. DATA FOR SPECIAL TAX LEVY**

Each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel Numbers for all Parcels of Taxable Property within the CFD. The Administrator shall also determine: (i) whether each Parcel of Taxable Property is Developed Property or Undeveloped Property, (ii) which Parcels are Commercial Property, Single Family Residential Property, and Multi-Family Property, (iii) the Acreage of each Parcel of Commercial Property and Multi-Family Property, and (iv) the Special Tax Requirement for the then-current Fiscal Year.

In any Fiscal Year, if it is determined that (i) a Final Map or parcel map for a portion of property in the CFD was recorded after the last date upon which the 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 Assessor does not yet recognize the new Parcels created by the Final Map or parcel map, and (iii) one or more of the newly-created Parcels meets the definition of Taxable 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 Taxes that apply separately to each newly-created Parcel, 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**

Table 1 below identifies the Maximum Special Tax assigned to all Parcels of Taxable Property.

**TABLE 1  
MAXIMUM SPECIAL TAXES  
FISCAL YEAR 2015-16**

	<i>Land Use Category</i>	<i>Fiscal Year 2015-16 Maximum Special Tax*</i>
Developed Property	Single Family Residential Property	\$326 per SFR Lot
	Multi-Family Property	\$300 per Acre
	Commercial Property	\$300 per Acre
Undeveloped Property	Single Family Residential Property	\$1,950 per Acre
	Multi-Family Property	\$300 per Acre
	Commercial Property	\$300 per Acre

*\* On January 1, 2016 and each January thereafter, the Maximum Special Tax rates shall be adjusted by the Escalation Factor. Each annual adjustment of the Maximum Special Tax shall become effective on the subsequent July 1*

**D. METHOD OF LEVY OF SPECIAL TAXES**

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year. The Special Tax shall then be levied on all Parcels of Taxable Property as follows:

- Step 1:** The Special Tax shall be levied Proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Special Tax for each Parcel of Taxable Property for such Fiscal Year;
- Step 2:** If additional revenue is needed after Step 1, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property that is not Commercial Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel of Taxable Property for such Fiscal Year;
- Step 3:** If additional revenue is needed after applying the first two steps, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel of Taxable Public Property.

**E. COLLECTION OF SPECIAL TAXES**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax shall be levied and collected in perpetuity unless and

until the City determines that the Special Tax no longer needs to be levied to pay Authorized Services and Administrative Expenses.

**F. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Parcels of Commercial Property that are Undeveloped Property and Parcels of Public Property, except Taxable Public Property, as defined herein.

**G. INTERPRETATION OF SPECIAL TAX FORMULA**

The City reserves the right to make minor administrative and technical changes to this document that do 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 by resolution of the City Council for purposes of clarifying any vagueness or ambiguity in this RMA.

**H. ENFORCEMENT**

All delinquent Special Taxes billed off the County tax roll shall be subject to an immediate 10% penalty plus interest charges of 1.5 % as of the first day of the month after the delinquency date and on the first day of each month thereafter. Any such delinquent Special Taxes shall, at the City's discretion, be placed on the next secured property tax roll. The amount placed on the roll shall include the 10% penalty and the interest charges through the following January 1. This shall not prevent the City from simultaneously pursuing the delinquency by an action on a contract of guarantee against a third party who promised to pay the taxes, or from assigning such right of action to the property owner or other appropriate party.