

EXHIBIT A

PROPOSED BOUNDARIES OF CITY OF SAN LEANDRO COMMUNITY FACILITIES DISTRICT NO. 2022-1 (MONARCH BAY SHORELINE FACILITIES & SERVICES)

CITY OF SAN LEANDRO
COUNTY OF ALAMEDA
STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN LEANDRO THIS _____ DAY OF _____ 20__.

CITY CLERK
CITY OF SAN LEANDRO
ALAMEDA COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF CITY OF SAN LEANDRO COMMUNITY FACILITIES DISTRICT NO. 2022-1 (MONARCH BAY SHORELINE FACILITIES & SERVICES), CITY OF SAN LEANDRO, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN LEANDRO AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____ 20__, BY ITS RESOLUTION NO. _____.

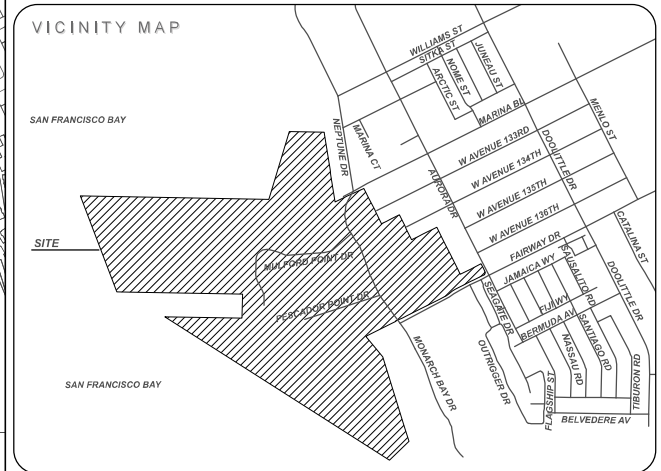
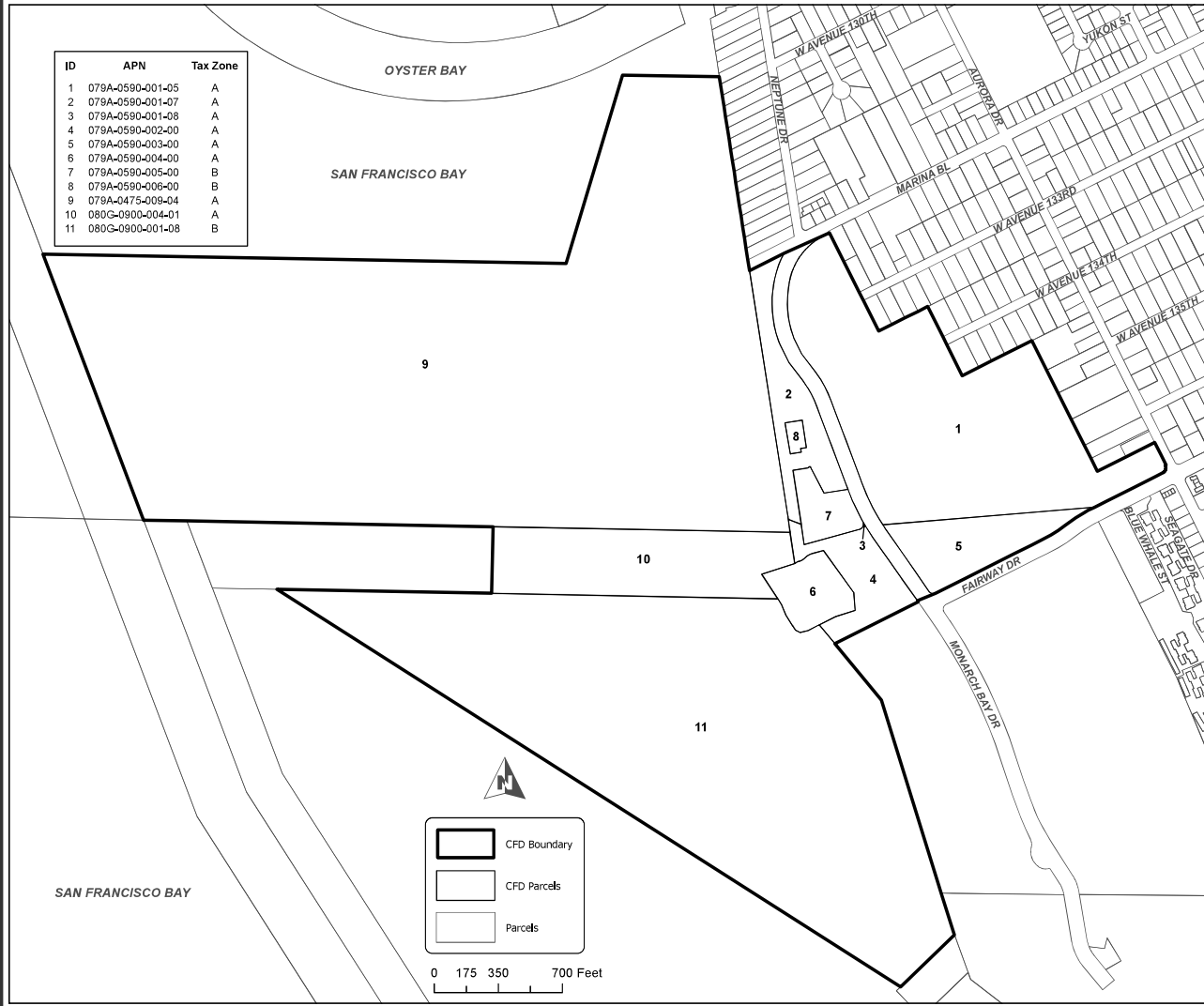
CITY CLERK
CITY OF SAN LEANDRO
ALAMEDA COUNTY, CALIFORNIA

FILED THIS _____ DAY OF _____ 20__, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF ALAMEDA, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

ID	APN	Tax Zone
1	079A-0590-001-05	A
2	079A-0590-001-07	A
3	079A-0590-001-08	A
4	079A-0590-002-00	A
5	079A-0590-003-00	A
6	079A-0590-004-00	A
7	079A-0590-005-00	B
8	079A-0590-006-00	B
9	079A-0475-009-04	A
10	080C-0900-004-01	A
11	080C-0900-001-08	B



Source: Alameda County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California III FIPS 0403 Feet



EXHIBIT B

LIST OF AUTHORIZED FACILITIES

In accordance with Section 53313.5 of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the community facilities district (the "CFD") is authorized to finance the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer, together with the planning, design, and permitting of work that is directly related to the purchase, construction, expansion, or rehabilitation of any real or tangible property (collectively, the "Facilities"), including, but not be limited to, transportation facilities, water, sewer and storm drain facilities, sea walls and sea-level-rise facilities, parks, parkways, trails, paths, and open space.

The Facilities include all direct and incidental costs related to providing the Facilities, including, but not limited to, bond issuance costs, reserve fund costs, and all other incidental costs related thereto. The Facilities may be constructed and installed by the City and/or acquired by the City from private parties that construct the Facilities.

EXHIBIT C

LIST OF AUTHORIZED SERVICES

The CFD is authorized to finance any and all of the services authorized under Section 53313 of the Act (collectively, the "Services"), including, but not be limited to, operations, maintenance and lighting of transportation facilities, water, sewer and storm drain facilities, sea walls and sea-level-rise facilities, parks, parkways, and open space. By way of example and not limitation, the CFD may fund any of the following related to the Services: furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/ or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of personnel necessary or convenient to provide the Services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of Services. It is expected that the Services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

The Services also include, but are not limited to, the direct and indirect expenses incurred by the City in carrying out its duties with respect to the CFD (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County of Alameda related to the CFD or the collection of special taxes, an allocable share of the salaries of the City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the CFD or the services authorized to be funded by the CFD, and expenses incurred by the City in undertaking action related to properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the CFD. In addition to the administrative expenses identified above, the CFD may finance the payment or reimbursement to the City of all costs associated with the establishment and administration of the CFD.

EXHIBIT D
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR
CITY OF SAN LEANDRO
COMMUNITY FACILITIES DISTRICT NO. 2022-1
(MONARCH BAY SHORELINE FACILITIES & SERVICES)

A Special Tax, as hereinafter defined, shall be levied on all Taxable Property in the City of San Leandro (the "City") Community Facilities District No. 2022-1 (Monarch Bay Shoreline Facilities & Services) ("CFD No. 2022-1") and collected each Fiscal Year commencing in Fiscal Year 2023/24, in an amount determined by the CFD Administrator, through the application of the Rate and Method of Apportionment of Special Taxes as set forth below. All of the real property in CFD No. 2022-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Dwelling Unit" or "ADU" means a secondary residential unit of limited size, as defined in California Government Code Section 65852.2 (j) (1), as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Dwelling Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is not considered a separate Dwelling Unit from the primary Dwelling Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will not be subject to the levy of the Special Tax.

"Acre" or "Acreage" means that acreage shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event that the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel may be determined by the CFD Administrator based upon the applicable Final Subdivision Map or parcel map, or by using available spatial data and GIS.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Act of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2022-1: the costs of any paying agents/fiscal agents/trustees related to CFD No. 2022-1 Bond payments (including the fees and expenses of related counsel); the costs of computing the Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, County Tax Collector's Office or County Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code and federal securities laws, or otherwise related to CFD No. 2022-1 or CFD No. 2022-1 Bonds; costs of responding to public inquiries regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Taxes or interpretation of this Rate and Method of Apportionment of Special Taxes; amounts needed to pay rebate

to the federal government related to CFD No. 2022-1 Bonds; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in CFD No. 2022-1. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2022-1 for any other administrative purposes of CFD No. 2022-1.

“Apartment Property” means Taxable Property that is Developed Property on which all or any portion of a structure or structures with multiple for-rent Dwelling Units are located.

“Assessor’s Data” means the property characteristic data compiled and maintained by the County Assessor for each Assessor’s Parcel or Leasehold Interest, including, but not limited to, Assessor’s Parcel Number, Acreage, and Dwelling Units.

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

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

“Assessor’s Parcel Number” or “APN” means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County for purposes of identification.

“Assigned Special Tax” means the Assigned Special Tax determined in accordance with Section C below, that can be levied in any Fiscal Year on Taxable Property.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by CFD No. 2022-1.

“Authorized Services” means the services authorized to be funded, in whole or in part, by CFD No. 2022-1.

“Backup Special Tax” means the Backup Special Tax determined in accordance with the applicable subsection of Section C below.

“Below Market Rate Units” or “BMR Units” means Dwelling Units located on one or more Assessor’s Parcels of Single Family Residential Property or Townhome Property that are subject to affordable housing restrictions. Units constructed within CFD No. 2022-1 shall be designated as BMR Units by the CFD Administrator in the chronological order in which the Building Permits for such BMR Units are issued.

“Building Permit” means a permit issued by the City for new construction of a residential or non-residential building on Taxable Property.

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

“CFD No. 2022-1” means City of San Leandro Community Facilities District No. 2022-1 (Monarch Bay Shoreline Facilities & Services), established by the City Council pursuant to the Act.

“CFD No. 2022-1 Bonds” means bonds or other Debt (as defined in the Act), whether in one or more series, issued or assumed by or on behalf of the City for CFD No. 2022-1 under the Act, and secured by pledge of the Special Taxes.

“City” means the City of San Leandro, California.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 2022-1.

“County” means the County of Alameda.

“Debt Service” means for each Debt Year, the total amount of principal and interest due on any outstanding CFD No. 2022-1 Bonds.

“Debt Year” means the twelve (12) month period ending on the second debt service payment date of each calendar year.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a Building Permit was issued on or before May 1st of the prior Fiscal Year.

“Dwelling Unit” means one residential unit of any configuration, including, but not limited to, a single family attached or detached dwelling, townhome, condominium, or otherwise. The number of Dwelling Units assigned to each Taxable Property may be determined by the CFD Administrator (i) referencing Assessor’s Data, (ii) site surveys and physical unit counts, and/or (iii) reviewing City building permit data. An Accessory Dwelling Unit shall not be considered a Dwelling Unit for the purposes of the Special Tax.

“Exempt Property” means all property located within the boundaries of CFD No. 2022-1 which is exempt from the Special Tax pursuant to Section E below.

“Expected Dwelling Units” means the number of Dwelling Units anticipated to be developed in each Land Use class as shown in Table 2.

“Expected Revenue” means the Special Tax revenue expected to be generated by each Land Use Class as shown in Table 2.

“Final Map Property” means, in any Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a Final Subdivision Map has recorded prior to May 1st of the preceding Fiscal Year, but no earlier than January 1, 2022.

“Final Subdivision Map” means a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4285, that creates individual lots for which Building Permits may be issued without further subdivision of such property.

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

“GIS”, or geographic information system, means a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.

“Hotel Property” means Taxable Property within the boundaries of CFD 2022-1 that have an establishment providing short-term lodging accommodations and other services for travelers and tourists.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2022-1 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Class” means any of the classes listed in Table 1 and Table 2.

“Land Use Type” means any of the land uses listed in Table 1 and Table 2.

“Leasehold Interest” means an interest pursuant to which a person leases or otherwise obtains real property rights for a set period of time.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on Taxable Property.

“Non-Residential Floor Area” means the total building square footage of the non-residential building(s) or the non-residential portion of a building with both residential and non-residential areas located on Taxable Property that is Developed Property, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building. The determination of Non-Residential Floor Area shall be made by the CFD Administrator by reference to the Building Permit(s) issued for such Taxable Property and/or the records of the City’s building division.

“Non-Residential Property” means all Taxable Property that is Developed Property for which a Building Permit permitting the construction of one or more non-residential buildings or facilities has been issued that is not Hotel Property.

“Outstanding CFD No. 2022-1 Bonds” means all CFD No. 2022-1 Bonds which are outstanding under and in accordance with the provisions of the Indenture.

“Pay-As-You-Go Expenditure” means Pay-As-You-Go Revenue which is used or set aside for Authorized Facilities, including for Authorized Facilities to be constructed or acquired by CFD No. 2022-1. Pay-As-You-Go Expenditures may be included in the Special Tax Requirement until all Authorized Facilities have been constructed or acquired.

“Pay-As-You-Go Revenue” means Special Tax revenues that are available after being used or set aside for Debt Service, Administrative Expenses, or Authorized Services.

“Property Owner Association Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2022-1 that is owned by a property owner association, including any master or sub-association, but not including any such property that is located directly under a residential structure.

“Proportionately” means, for Developed Property and Final Map Property, that the ratio of the Special Tax levy to the Assigned Special Tax or the Backup Special Tax is equal within each respective Tax Zone. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal within each respective Tax Zone.

“Public Property” means property within the boundaries of CFD No. 2022-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to the federal government, the State, the County, the City, or any local government or other public agency,

provided that any property leased by a public agency to a private entity shall be taxed and classified according to its use.

“Single Family Residential Property” means all Taxable Property that is Developed Property for which a Building Permit permitting the construction of a residential structure intended for a single Dwelling Unit.

"Special Tax(es)" means the special tax or special taxes to be levied in each Fiscal Year on Taxable Property within CFD No. 2022-1 to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2022-1 to (1) pay Debt Service on all Outstanding CFD No. 2022-1 Bonds which is due in the Debt Year that commences in such Fiscal Year; (2) pay for Authorized Services; (3) pay Administrative Expenses; (4) provide any amount required to establish or replenish a reserve fund in connection with any CFD No. 2022-1 Bonds; (5) provide any amount required to establish or replenish any operating reserve held by the City for Administrative Expenses; (6) and amounts needed for Pay-As-You-Go Expenditures eligible to be funded by CFD No. 2022-1 under the Act; (7) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (4) or (5). The amounts referred to in clauses (1) through (7) of the preceding sentence may be reduced in any Fiscal Year (in the City's sole discretion) by (i) interest earnings on or surplus balances in funds and accounts for CFD No. 2022-1 Bonds to the extent that such earnings or balances are available to apply against Debt Service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding CFD No. 2022-1 Bonds or other indebtedness as determined by the CFD Administrator.

"State" means the State of California.

“Tax Zone” means the assignment of Taxable Property to a zone as shown on Attachment A within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. All the Taxable Property within CFD No. 2022-1 at the time of its formation is within Tax Zone A and Tax Zone B. Additional Tax Zones may be created when property is annexed to CFD No. 2022-1, and a separate Maximum Special Tax shall be identified for property within each new Tax Zone at the time of such annexation. The Taxable Property included within a new Tax Zone when such Parcels are annexed to CFD No. 2022-1 shall be identified by Assessor’s Parcel number in the annexation documents at the time of annexation.

“Tax Zone B Lease Event” means the execution of a lease or written contract related to Taxable Property in Tax Zone B which includes a statement that the property interest may be subject to special taxation pursuant to Section 53340.1 of the Act.

"Taxable Property" means all the Assessor’s Parcels or Leasehold Interests within the boundaries of CFD No. 2022-1 which are not exempt from the Special Tax pursuant to law or Section E below. For each Fiscal Year for which the Special Tax is levied, the CFD Administrator shall determine the Assessor’s Parcels or Leasehold Interests which are subject to the Special Tax pursuant to this Rate and Method of Apportionment of Special Taxes, and such determination shall be conclusive.

“Taxable Property Owner Association Property” means all Taxable Property of Property Owner

Association Property that are not exempt pursuant to Section E herein.

“Taxable Public Property” means all Taxable Property that is Public Property that are not exempt pursuant to Section E herein.

“Taxable Welfare Exempt Property” means all Assessor’s Parcels of Welfare Exempt Property that are not exempt pursuant to Section E herein.

“Townhome Property” means Residential Property generally characterized as having a direct ground floor private entry where living space occurs on multiple levels of roughly the same proportion and having at least one vertical wall extending from ground to roof dividing it from the adjoining Dwelling Unit.

“Trustee” means the trustee or fiscal agent acting as such under the Indenture.

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

“Welfare Exempt Property” means all Taxable Property within the boundaries of CFD No. 2022-1 that have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, the CFD Administrator shall determine the valid Assessor’s Parcel Numbers and Leasehold Interests for all Taxable Property within CFD No. 2022-1. If any Assessor’s Parcel Numbers are no longer valid from the previous Fiscal Year, the CFD Administrator shall determine the new Assessor’s Parcel Number or Numbers that are in effect for the current Fiscal Year. To the extent an Assessor’s Parcel(s) of Taxable Property are subdivided, consolidated or otherwise reconfigured, the Special Tax rates shall be assigned to the new Assessor’s Parcel(s) pursuant to Section C.

Each Fiscal Year, all Assessor’s Parcels and Leasehold Interests within CFD No. 2022-1 shall be classified as follows:

1. Each Assessor’s Parcel and Leasehold Interest shall be determined to be Taxable Property or Exempt Property.
2. Each Taxable Property shall be assigned to a Tax Zone.
3. Each Taxable Property shall further be classified as Developed Property, Final Map Property, Taxable Public Property, Taxable Property Owner Association Property, Taxable Welfare Exempt Property, or Undeveloped Property. Taxable Property shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment of Special Taxes determined pursuant to Sections C and D below.
4. Each Taxable Property of Developed Property, Taxable Public Property and Taxable Welfare Exempt Property shall further be classified as Single Family Residential Property, Apartment Property, Townhome Property, Hotel Property, or Non-Residential Property. Single Family Residential Property and Apartment Property shall further have Dwelling Units that are BMR Units identified.

C. MAXIMUM SPECIAL TAX RATES – TAX ZONE NO. 1

1. Developed Property and Final Map Property

The Maximum Special Tax for each Taxable Property of Developed Property and Final Map Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

a. Assigned Special Tax

The Assigned Special Tax for each Taxable Property that is Developed Property and Final Map Property is shown in Table 1 for Tax Zone A.

**TABLE 1 – TAX ZONE A
ASSIGNED SPECIAL TAX FOR DEVELOPED PROPERTY AND FINAL MAP PROPERTY
FISCAL YEAR 2022/23**

Land Use Class	Land Use Type	Assigned Special Tax
1	Single Family Residential Property	\$5,500 per Dwelling Unit
2	Townhome Property	4,500 per Dwelling Unit 1,900 per BMR Unit
3	Apartment Property	877.25 per Dwelling Unit
4	Hotel Property	2.48 per Square Foot of Non-Residential Floor Area
5	Non-Residential Property	2.18 per Square Foot of Non-Residential Floor Area

Should a Land Use Class be changed to a different Land Use Type, the Assigned Special Tax for the revised Land Use Type shall apply and the Expected Revenue in Table 2 shall be revised accordingly.

Taxable Public Property and Taxable Welfare Exempt Property shall continue to be assigned to the same land use class as the property was assigned to before becoming Taxable Public Property or Taxable Welfare Exempt Property. Taxable Property Owner Association Property shall be assigned to land use class 5.

The Assigned Special Tax for each Taxable Property that is Developed Property and Final Map Property is shown in Table 1 for Tax Zone A.

**TABLE 1 – TAX ZONE B
ASSIGNED SPECIAL TAX FOR DEVELOPED PROPERTY AND FINAL MAP PROPERTY
FISCAL YEAR 2022/23**

Land Use Class	Land Use Type	Assigned Special Tax
5	Non-Residential Property	\$1.14 per Square Foot of Non-Residential Floor Area

Taxable Public Property and Taxable Welfare Exempt Property shall continue to be assigned to the same land use class as the property was assigned to before becoming Taxable Public Property or Taxable Welfare Exempt Property. Taxable Property Owner Association Property shall be assigned to land use class 5.

b. Backup Special Tax

The Backup Special Tax per Land Use Class for each Taxable Property that is Developed Property and Final Map Property, is calculated as follows:

$$\text{Backup Special Tax} = \frac{\text{Expected Revenue} / \text{ Dwelling Units or Non-Residential Floor Area on Developed Property and/or Dwelling Units or Non-Residential Floor Area expected on Final Map Property}}{\text{Dwelling Units or Non-Residential Floor Area on Developed Property and/or Dwelling Units or Non-Residential Floor Area expected on Final Map Property}}$$

For each Land Use Class, by reference to Table 2, should the number of Dwelling Units or Non-Residential Floor Area be less than the Expected Dwelling Units or Non-Residential Floor Area when all Taxable Property has been classified as Developed Property and Final Map Property, the Backup Special Tax per Dwelling Unit or Square Foot of Non-Residential Floor Area shall be adjusted so that the Backup Special Tax per Dwelling Unit or Non-Residential Floor Area is sufficient to generate the Expected Revenue from the levy of Special Taxes on Taxable Property in each Land Use Class in any Fiscal Year. The CFD Administrator shall update Table 2 with the revised Dwelling Units or Non-Residential Floor Area and Expected Revenue to be derived from each Land Use Class.

**TABLE 2 – TAX ZONE A
EXPECTED DWELLING UNITS AND EXPECTED REVENUE
FISCAL YEAR 2022/23**

Land Use Class	Expected Dwelling Units/Square Feet of Non-Residential Floor Area	Expected Revenue
1	148	\$814,000.00
2	52 (21 of which are BMR Units)	179,400.00
3	285	250,016.25
4	100,876	250,172.48
5	19,024	41,472.32

Prior to a sale of CFD No. 2022-1 Bonds, if a Land Use Class change for Taxable Property is proposed or identified that will result in a change in the Expected Revenues, no action will be needed pursuant to this Section. Each Fiscal Year, the CFD Administrator shall update Table 2 to show the revised Units and Expected Revenues if a Land Use Class change has been approved.

After a sale of CFD No. 2022-1 Bonds, if a Land Use Class change for Taxable Property is proposed or identified, the following must be applied:

If the Special Tax revenue from the levy of Special Taxes on Taxable Property in each respective Land Use Class calculated based on the Land Use Class change is greater than the respective revenue reflected in Table 2 or less than the respective revenue calculated in Table 2, but the reduction in Expected Revenues does not reduce debt service coverage below any minimum debt

service coverage assumed in connection with the sale of CFD No. 2022-1 Bonds, no further action is needed, and the CFD Administrator shall update Table 2 to show the revised Expected Revenues.

If the Special Tax revenue from the levy of Special Taxes on Taxable Property in each respective Land Use Class calculated based on the Land Use Class change are less than the respective revenue reflected in Table 2, and the CFD Administrator determines that the reduction in Expected Revenues would reduce debt service coverage below any minimum debt service coverage assumed in connection with the sale of CFD No. 2022-1 Bonds, the Special Tax that can be levied on the Taxable Property subject to a Land Use Class change will be subject to one of the following: (i) the landowner requesting the Land Use Class change may make a partial prepayment of Special Taxes for the Taxable Property subject to the Land Use Class change in an amount that will ensure that the reduced Expected Revenues are sufficient to meet any minimum debt service coverage assumed in connection with the sale of CFD No. 2022-1 Bonds or (ii) if a prepayment is not selected, the Assigned Special Tax on the Taxable Property subject to the Land Use Class change shall be increased proportionately until the Expected Revenues are sufficient to maintain any minimum debt service coverage assumed in connection with the sale of CFD No. 2022-1 Bonds.

There is no Backup Special Tax for Tax Zone B.

c. Increase in the Assigned Special Tax and Backup Special Tax for Tax Zones A and B

On each July 1, commencing on July 1, 2023, the Assigned Special Tax and the Backup Special Tax for Developed Property and Final Map Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

d. Multiple Land Use Classes

In some instances, Taxable Property that is Developed Property and Final Map Property may contain more than one Land Use Class. The Special Tax levied on Taxable Property shall be the sum of the Special Tax for all Land Use Classes located on that Taxable Property.

2. Undeveloped Property

a. Maximum Special Tax

The Maximum Special Tax for each Taxable Property that is Undeveloped Property shall be \$65,250 per Acre in Fiscal Year 2022/23 for Tax Zone A.

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2023, the Maximum Special Tax for Undeveloped Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year for Tax Zone A.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

1. Tax Zone A

Commencing with Fiscal Year 2023/24 and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement, and shall levy the Special Tax until the amount of the Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows for Tax Zone A:

First: The Special Tax shall be levied Proportionately on each Taxable Property that is Developed Property and Taxable Welfare Exempt Property at a rate up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Taxable Property that is Final Map Property at a rate up to 100% of the Maximum Special Tax for Final Map Property to satisfy the Special Tax Requirement.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Taxable Property that is Undeveloped Property at a rate up to 100% of the Maximum Special Tax for Undeveloped Property to satisfy the Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied on each Taxable Property that is Taxable Property Owner Association Property at a rate up to 100% of the Maximum Special Tax for Taxable Property Owner Association Property to satisfy the Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Taxable Property that is Taxable Public Property at a rate up to 100% of the Maximum Special Tax for Taxable Public Property to satisfy the Special Tax Requirement.

2. Tax Zone B

Commencing in the Fiscal Year following the Tax Zone B Lease Event and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement, and shall levy the Special Tax until the amount of the Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows for Tax Zone B:

First: The Special Tax shall be levied Proportionately on each Taxable Property that is Developed Property and Taxable Welfare Exempt Property at a rate up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

E. EXEMPTIONS

1. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property or Public Property. Any property that is classified as Property Owner Association Property or Public Property prior to the issuance of the first

series of CFD No. 2022-1 Bonds shall thereafter be exempt from the levy of the Special Tax. Any property that is classified as Property Owner Association Property or Public Property after the first series of CFD No. 2022-1 Bonds have been issued shall be classified as Taxable Property Owner Association Property or Taxable Public Property and shall not be exempt from the levy of the Special Tax.

2. Any property that is granted a welfare exemption pursuant to Section 53340(c) under the Act under subdivision (g) of Section 214 of the Revenue and Taxation Code prior to the issuance of the first series of CFD No. 2022-1 Bonds shall thereafter be exempt from the levy of the Special Tax. Any property that is granted a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code after the first series of CFD No. 2022-1 Bonds have been issued shall not be considered Welfare Exempt Property and shall not be exempt from the levy of the Special Tax.
3. Property Owner Association Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Property Owner Association Property. Taxable Property Owner Association Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property.
4. Public Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Public Property. Taxable Public Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the sixth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Public Property.
5. Dwelling Units that are ADUs shall not be subject to the levy of the Special Tax.

F. APPEALS

Any property owner may file a written appeal of the Special Taxes with the CFD Administrator claiming that the amount or application of the Special Taxes is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes, including the disputed Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Taxes to be modified or changed in favor of the property owner, the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATIONS

The City may, by resolution or ordinance, interpret, clarify and/or revise this Rate and Method of Apportionment of Special Taxes to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of Taxable Property, or any definition used herein, as long as once CFD No. 2022-1 Bonds have been issued such correction does not materially adversely affect the levy and collection of Special Taxes needed to repay the CFD No. 2022-1 Bonds. In addition, the interpretation and application of any section of this document shall be at the City's discretion.

H. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the CFD Administrator may, directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner as necessary to meet the financial obligations of CFD No. 2022-1, and may covenant to foreclose and may actually foreclose or cause an action for foreclosure to be prosecuted in respect of Taxable Property that is delinquent in the payment of the Special Tax.

I. TERM AND PREPAYMENT

The Special Tax shall be levied and collected as needed to fund the Special Tax Requirement in perpetuity, subject to the remainder of this section I. The Special Tax may not be prepaid. No portion of the Special Tax shall be levied for Authorized Facilities beyond 100 years from the initial levy of the Special Tax.

ATTACHMENT A
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR
CITY OF SAN LEANDRO
COMMUNITY FACILITIES DISTRICT NO. 2022-1
(MONARCH BAY SHORELINE FACILITIES & SERVICES)

Assessor's Parcel Number	Tax Zone
079A-0590-001-05	A
079A-0590-001-07	A
079A-0590-001-08	A
079A-0590-002-00	A
079A-0590-003-00	A
079A-0590-004-00	A
079A-0590-005-00	B
079A-0590-006-00	B
079A-0475-009-04	A
080G-0900-004-01	A
080G-0900-001-08	B

CITY OF SAN LEANDRO

Community Facilities District Report For:

**Community Facilities District No. 2022-1
(Monarch Bay Shoreline Facilities & Services)**

August 24, 2022

Prepared by:



Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

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1. INTRODUCTION

The City Council (the “Council”) of the City of San Leandro (the “City”), State of California pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), on July 18, 2022, adopted Resolution No. _____ entitled “Resolution of Intention of the City of San Leandro City Council to Establish the City of San Leandro Community Facilities District No. 2022-1 (Monarch Bay Shoreline Facilities & Services), And to Levy a Special Tax in the Community Facilities District to Finance the Acquisition and Construction of Public Facilities and the Provision of Public Services” (the “Resolution of Intention”) stating its intention to form the City of San Leandro Community Facilities District No. 2022-1 (Monarch Bay Shoreline Facilities & Services) (the “CFD”). In the Resolution of Intention, the Council ordered the preparation of a written Community Facilities District Report (the “Report”) for the CFD.

The Resolution of Intention described certain public facilities (the “Facilities”) to be financed and certain public services (the “Services”) to be funded by the CFD and directed that the Report be prepared.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the City.

NOW, THEREFORE, I, the Economic Development Manager of the City, hereby submit the following data:

1. **DESCRIPTION OF FACILITIES AND SERVICES:** A general description of the authorized Facilities and Services.
2. **COST ESTIMATE:** A cost estimate for such Facilities and Services, and a listing of the incidental expenses related thereto.
3. **PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT:** The proposed boundaries of the CFD are those properties and parcels in which special taxes may be levied to pay for the costs and expenses of the Facilities. The proposed boundaries of the CFD are described on the map of the CFD.
4. **RATE AND METHOD OF APPORTIONMENT:** The Rate and Method of Apportionment for the CFD.

Dated as of _____

By: _____
Economic Development Manager

2. DESCRIPTION OF FACILITIES AND SERVICES

The public facilities, public services and incidental costs authorized to be financed by the special taxes levied in the CFD consist of the following:

3.1 Authorized Facilities

In accordance with Section 53313.5 of the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), the community facilities district (the “CFD”) is authorized to finance the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer, together with the planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of any real or tangible property (collectively, the “Facilities”), including, but not be limited to, transportation facilities, water, sewer and storm drain facilities, sea walls and sea-level-rise facilities, parks, parkways, and open space.

The Facilities include all direct and incidental costs related to providing the Facilities, including, but not limited to, bond issuance costs, reserve fund costs, and all other incidental costs related thereto. The Facilities may be constructed and installed by the City and/or acquired by the City from private parties that construct the Facilities.

3.2 Authorized Services

The CFD is authorized to finance any and all of the services authorized under Section 53313 of the Act (collectively, the “Services”), including, but not be limited to, operations, maintenance and lighting of transportation facilities, water, sewer and storm drain facilities, sea walls and sea-level-rise facilities, parks, parkways, and open space. By way of example and not limitation, the CFD may fund any of the following related to the Services: furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/ or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of personnel necessary or convenient to provide the Services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of Services. It is expected that the Services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

The Services also include, but are not limited to, the direct and indirect expenses incurred by the City in carrying out its duties with respect to the CFD (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County of Alameda related to the CFD or the collection of special taxes, an allocable share of the salaries of the City staff directly related thereto and a proportionate amount of the City’s general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the CFD or the services authorized to be funded by the CFD, and expenses incurred by the City in undertaking action related to properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the CFD. In addition to the administrative expenses identified above, the CFD may finance the payment or reimbursement to the City of all costs associated with the establishment and administration of the CFD.

3. COST ESTIMATE

3.1 Authorized Facilities

Facility	Cost Estimate
Park, Roadway & Other Improvements	\$20,000,000
Sea-level Rise Facilities	71,000,000
TOTAL	\$91,000,000

Park, Roadway and Other Improvements are anticipated to be financed with an initial tranche of bonds and the Sea-level Rise Facilities are anticipated to be financed with a second tranche of bonds after the initial tranche is paid off.

3.2 Authorized Services

Service	Cost Estimate
Annual Services Cost	\$800,000
TOTAL	\$800,000

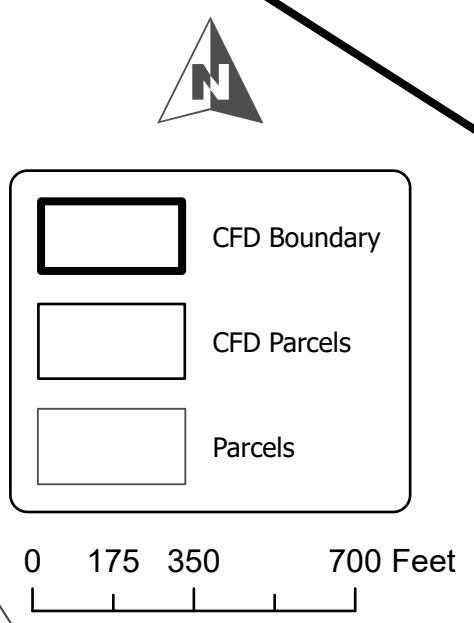
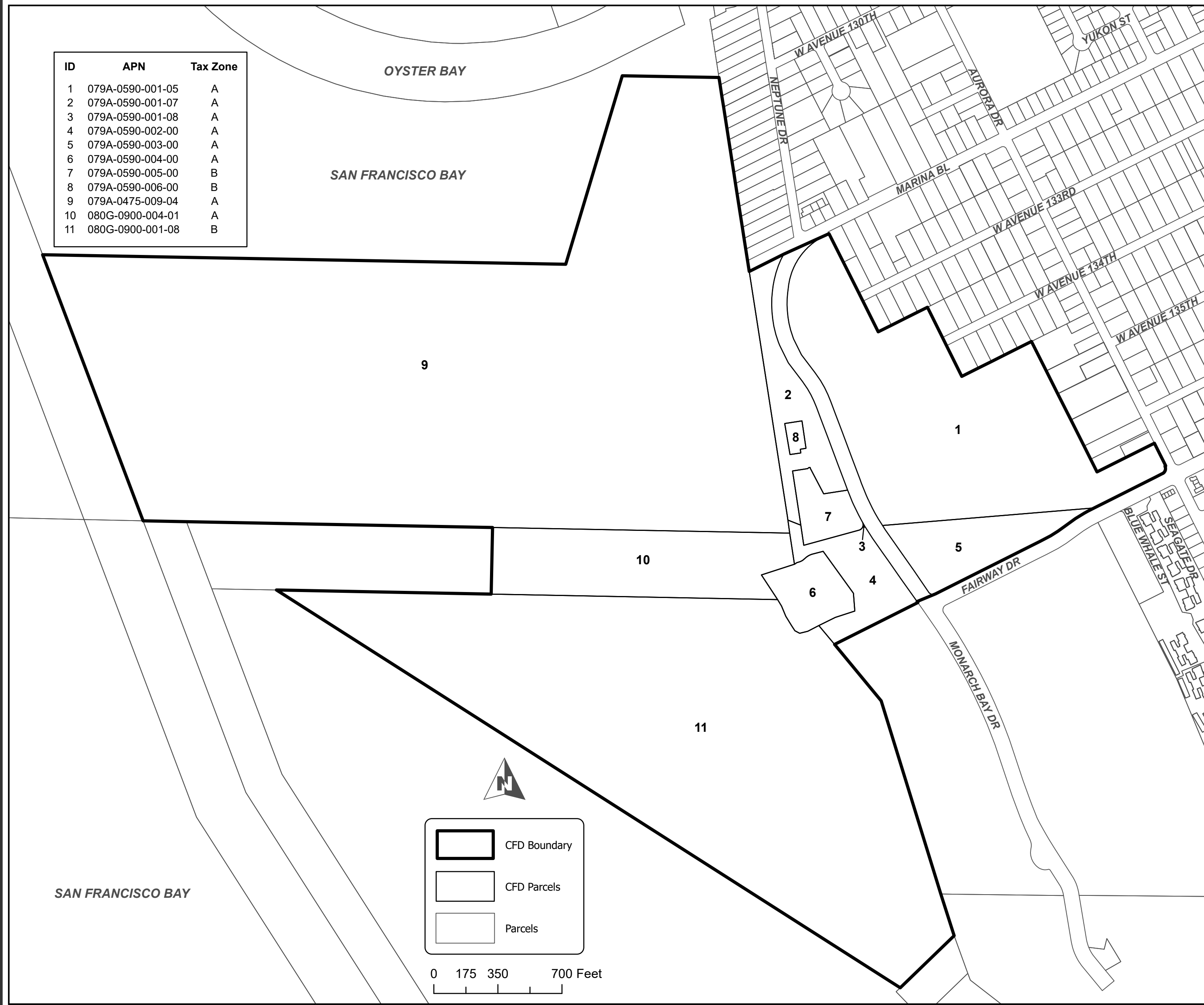
4. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT

The Boundary Map of the CFD is shown on the following page. The Boundary Map was recorded on August 26, 2022, as Instrument Number 2022148861, in Book 19 of Maps of Assessment and Community Facilities Districts at Page 40, in the Office of the County Recorder in the County of Alameda.

PROPOSED BOUNDARIES OF CITY OF SAN LEANDRO COMMUNITY FACILITIES DISTRICT NO. 2022-1 (MONARCH BAY SHORELINE FACILITIES & SERVICES)

CITY OF SAN LEANDRO
COUNTY OF ALAMEDA
STATE OF CALIFORNIA

ID	APN	Tax Zone
1	079A-0590-001-05	A
2	079A-0590-001-07	A
3	079A-0590-001-08	A
4	079A-0590-002-00	A
5	079A-0590-003-00	A
6	079A-0590-004-00	A
7	079A-0590-005-00	B
8	079A-0590-006-00	B
9	079A-0475-009-04	A
10	080G-0900-004-01	A
11	080G-0900-001-08	B



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN LEANDRO THIS _____ DAY OF _____, 20__.

CITY CLERK
CITY OF SAN LEANDRO
ALAMEDA COUNTY, CALIFORNIA

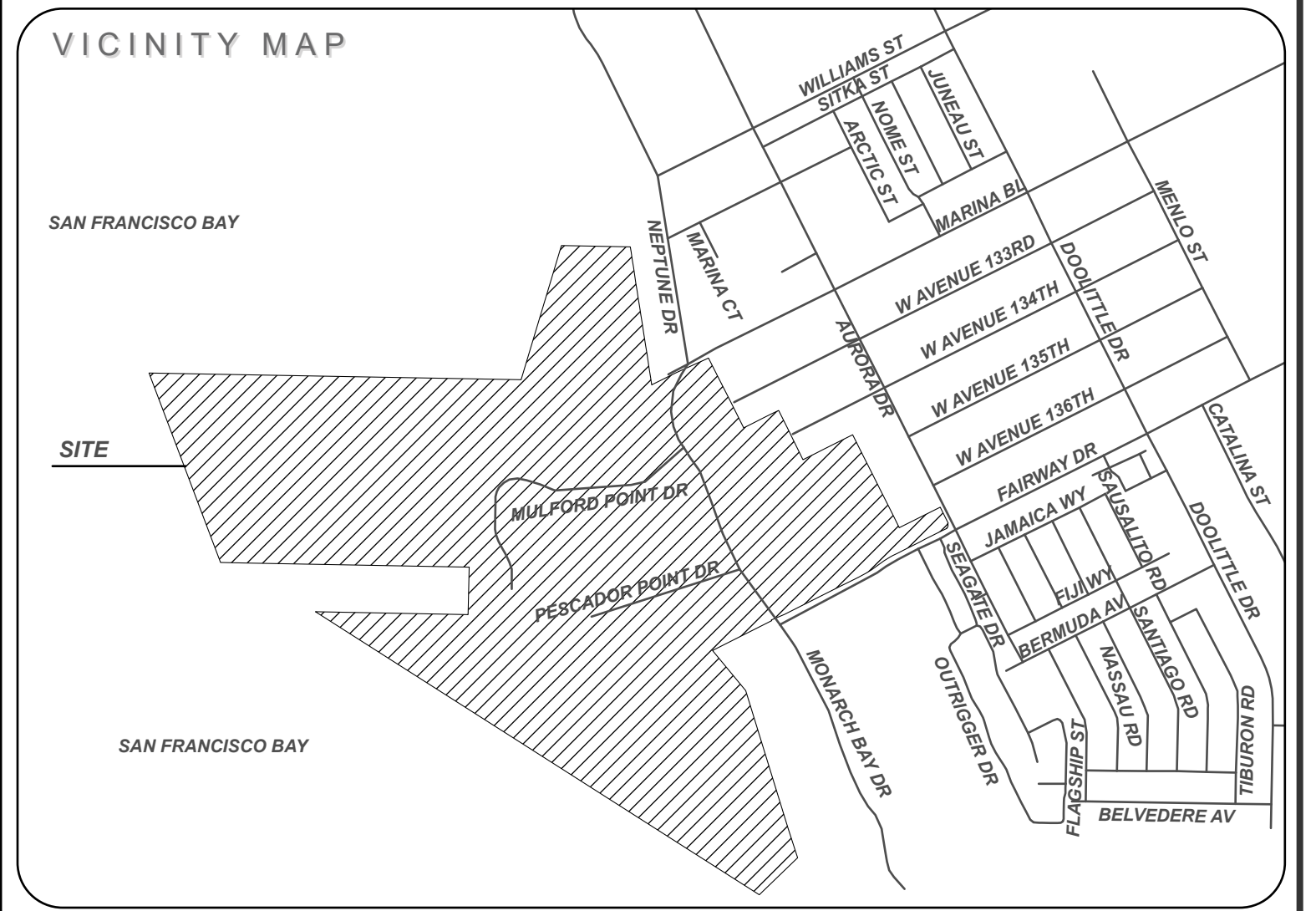
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF CITY OF SAN LEANDRO COMMUNITY FACILITIES DISTRICT NO. 2022-1 (MONARCH BAY SHORELINE FACILITIES & SERVICES), CITY OF SAN LEANDRO, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN LEANDRO AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20__, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF SAN LEANDRO
ALAMEDA COUNTY, CALIFORNIA

FILED THIS _____ DAY OF _____, 20__, AT THE HOUR OF _____ O'CLOCK _____ M, IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF ALAMEDA, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF ALAMEDA, STATE OF CALIFORNIA.



Source: Alameda County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California III FIPS 0403 Feet



5. RATE AND METHOD OF APPORTIONMENT

The Rate and Method of Apportionment of the CFD is shown on the following pages.

EXHIBIT B
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR
CITY OF SAN LEANDRO
COMMUNITY FACILITIES DISTRICT NO. 2022-1
(MONARCH BAY SHORELINE FACILITIES & SERVICES)

A Special Tax, as hereinafter defined, shall be levied on all Taxable Property in the City of San Leandro (the "City") Community Facilities District No. 2022-1 (Monarch Bay Shoreline Facilities & Services) ("CFD No. 2022-1") and collected each Fiscal Year commencing in Fiscal Year 2023/24, in an amount determined by the CFD Administrator, through the application of the Rate and Method of Apportionment of Special Taxes as set forth below. All of the real property in CFD No. 2022-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Dwelling Unit" or "ADU" means a secondary residential unit of limited size, as defined in California Government Code Section 65852.2 (j) (1), as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Dwelling Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is not considered a separate Dwelling Unit from the primary Dwelling Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will not be subject to the levy of the Special Tax.

"Acre" or "Acreage" means that acreage shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event that the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel may be determined by the CFD Administrator based upon the applicable Final Subdivision Map or parcel map, or by using available spatial data and GIS.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Act of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2022-1: the costs of any paying agents/fiscal agents/trustees related to CFD No. 2022-1 Bond payments (including the fees and expenses of related counsel); the costs of computing the Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, County Tax Collector's Office or County Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code and federal securities laws, or otherwise related to CFD No. 2022-1 or CFD No. 2022-1 Bonds; costs of responding to public inquiries regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Taxes or interpretation of this Rate and Method of Apportionment of Special Taxes; amounts needed to pay rebate

to the federal government related to CFD No. 2022-1 Bonds; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in CFD No. 2022-1. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2022-1 for any other administrative purposes of CFD No. 2022-1.

“Apartment Property” means Taxable Property that is Developed Property on which all or any portion of a structure or structures with multiple for-rent Dwelling Units are located.

“Assessor’s Data” means the property characteristic data compiled and maintained by the County Assessor for each Assessor’s Parcel or Leasehold Interest, including, but not limited to, Assessor’s Parcel Number, Acreage, and Dwelling Units.

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

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

“Assessor’s Parcel Number” or “APN” means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County for purposes of identification.

“Assigned Special Tax” means the Assigned Special Tax determined in accordance with Section C below, that can be levied in any Fiscal Year on Taxable Property.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by CFD No. 2022-1.

“Authorized Services” means the services authorized to be funded, in whole or in part, by CFD No. 2022-1.

“Backup Special Tax” means the Backup Special Tax determined in accordance with the applicable subsection of Section C below.

“Below Market Rate Units” or “BMR Units” means Dwelling Units located on one or more Assessor’s Parcels of Single Family Residential Property or Townhome Property that are subject to affordable housing restrictions. Units constructed within CFD No. 2022-1 shall be designated as BMR Units by the CFD Administrator in the chronological order in which the Building Permits for such BMR Units are issued.

“Building Permit” means a permit issued by the City for new construction of a residential or non-residential building on Taxable Property.

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

“CFD No. 2022-1” means City of San Leandro Community Facilities District No. 2022-1 (Monarch Bay Shoreline Facilities & Services), established by the City Council pursuant to the Act.

“CFD No. 2022-1 Bonds” means bonds or other Debt (as defined in the Act), whether in one or more series, issued or assumed by or on behalf of the City for CFD No. 2022-1 under the Act, and secured by pledge of the Special Taxes.

“City” means the City of San Leandro, California.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 2022-1.

“County” means the County of Alameda.

“Debt Service” means for each Debt Year, the total amount of principal and interest due on any outstanding CFD No. 2022-1 Bonds.

“Debt Year” means the twelve (12) month period ending on the second debt service payment date of each calendar year.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a Building Permit was issued on or before May 1st of the prior Fiscal Year.

“Dwelling Unit” means one residential unit of any configuration, including, but not limited to, a single family attached or detached dwelling, townhome, condominium, or otherwise. The number of Dwelling Units assigned to each Taxable Property may be determined by the CFD Administrator (i) referencing Assessor’s Data, (ii) site surveys and physical unit counts, and/or (iii) reviewing City building permit data. An Accessory Dwelling Unit shall not be considered a Dwelling Unit for the purposes of the Special Tax.

“Exempt Property” means all property located within the boundaries of CFD No. 2022-1 which is exempt from the Special Tax pursuant to Section E below.

“Expected Dwelling Units” means the number of Dwelling Units anticipated to be developed in each Land Use class as shown in Table 2.

“Expected Revenue” means the Special Tax revenue expected to be generated by each Land Use Class as shown in Table 2.

“Final Map Property” means, in any Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a Final Subdivision Map has recorded prior to May 1st of the preceding Fiscal Year, but no earlier than January 1, 2022.

“Final Subdivision Map” means a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4285, that creates individual lots for which Building Permits may be issued without further subdivision of such property.

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

“GIS”, or geographic information system, means a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.

“Hotel Property” means Taxable Property within the boundaries of CFD 2022-1 that have an establishment providing short-term lodging accommodations and other services for travelers and tourists.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2022-1 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Class” means any of the classes listed in Table 1 and Table 2.

“Land Use Type” means any of the land uses listed in Table 1 and Table 2.

“Leasehold Interest” means an interest pursuant to which a person leases or otherwise obtains real property rights for a set period of time.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on Taxable Property.

“Non-Residential Floor Area” means the total building square footage of the non-residential building(s) or the non-residential portion of a building with both residential and non-residential areas located on Taxable Property that is Developed Property, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building. The determination of Non-Residential Floor Area shall be made by the CFD Administrator by reference to the Building Permit(s) issued for such Taxable Property and/or the records of the City’s building division.

“Non-Residential Property” means all Taxable Property that is Developed Property for which a Building Permit permitting the construction of one or more non-residential buildings or facilities has been issued that is not Hotel Property.

“Outstanding CFD No. 2022-1 Bonds” means all CFD No. 2022-1 Bonds which are outstanding under and in accordance with the provisions of the Indenture.

“Pay-As-You-Go Expenditure” means Pay-As-You-Go Revenue which is used or set aside for Authorized Facilities, including for Authorized Facilities to be constructed or acquired by CFD No. 2022-1. Pay-As-You-Go Expenditures may be included in the Special Tax Requirement until all Authorized Facilities have been constructed or acquired.

“Pay-As-You-Go Revenue” means Special Tax revenues that are available after being used or set aside for Debt Service, Administrative Expenses, or Authorized Services.

“Property Owner Association Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2022-1 that is owned by a property owner association, including any master or sub-association, but not including any such property that is located directly under a residential structure.

“Proportionately” means, for Developed Property and Final Map Property, that the ratio of the Special Tax levy to the Assigned Special Tax or the Backup Special Tax is equal within each respective Tax Zone. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal within each respective Tax Zone.

“Public Property” means property within the boundaries of CFD No. 2022-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to the federal government, the State, the County, the City, or any local government or other public agency,

provided that any property leased by a public agency to a private entity shall be taxed and classified according to its use.

“Single Family Residential Property” means all Taxable Property that is Developed Property for which a Building Permit permitting the construction of a residential structure intended for a single Dwelling Unit.

“Special Tax(es)” means the special tax or special taxes to be levied in each Fiscal Year on Taxable Property within CFD No. 2022-1 to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year for CFD No. 2022-1 to (1) pay Debt Service on all Outstanding CFD No. 2022-1 Bonds which is due in the Debt Year that commences in such Fiscal Year; (2) pay for Authorized Services; (3) pay Administrative Expenses; (4) provide any amount required to establish or replenish a reserve fund in connection with any CFD No. 2022-1 Bonds; (5) provide any amount required to establish or replenish any operating reserve held by the City for Administrative Expenses; (6) and amounts needed for Pay-As-You-Go Expenditures eligible to be funded by CFD No. 2022-1 under the Act; (7) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (4) or (5). The amounts referred to in clauses (1) through (7) of the preceding sentence may be reduced in any Fiscal Year (in the City's sole discretion) by (i) interest earnings on or surplus balances in funds and accounts for CFD No. 2022-1 Bonds to the extent that such earnings or balances are available to apply against Debt Service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding CFD No. 2022-1 Bonds or other indebtedness as determined by the CFD Administrator.

“State” means the State of California.

“Tax Zone” means the assignment of Taxable Property to a zone as shown on Attachment A within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. All the Taxable Property within CFD No. 2022-1 at the time of its formation is within Tax Zone A and Tax Zone B. Additional Tax Zones may be created when property is annexed to CFD No. 2022-1, and a separate Maximum Special Tax shall be identified for property within each new Tax Zone at the time of such annexation. The Taxable Property included within a new Tax Zone when such Parcels are annexed to CFD No. 2022-1 shall be identified by Assessor’s Parcel number in the annexation documents at the time of annexation.

“Tax Zone B Lease Event” means the execution of a lease or written contract related to Taxable Property in Tax Zone B which includes a statement that the property interest may be subject to special taxation pursuant to Section 53340.1 of the Act.

“Taxable Property” means all the Assessor’s Parcels or Leasehold Interests within the boundaries of CFD No. 2022-1 which are not exempt from the Special Tax pursuant to law or Section E below. For each Fiscal Year for which the Special Tax is levied, the CFD Administrator shall determine the Assessor’s Parcels or Leasehold Interests which are subject to the Special Tax pursuant to this Rate and Method of Apportionment of Special Taxes, and such determination shall be conclusive.

“Taxable Property Owner Association Property” means all Taxable Property of Property Owner

Association Property that are not exempt pursuant to Section E herein.

“Taxable Public Property” means all Taxable Property that is Public Property that are not exempt pursuant to Section E herein.

“Taxable Welfare Exempt Property” means all Assessor’s Parcels of Welfare Exempt Property that are not exempt pursuant to Section E herein.

“Townhome Property” means Residential Property generally characterized as having a direct ground floor private entry where living space occurs on multiple levels of roughly the same proportion and having at least one vertical wall extending from ground to roof dividing it from the adjoining Dwelling Unit.

“Trustee” means the trustee or fiscal agent acting as such under the Indenture.

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

“Welfare Exempt Property” means all Taxable Property within the boundaries of CFD No. 2022-1 that have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, the CFD Administrator shall determine the valid Assessor’s Parcel Numbers and Leasehold Interests for all Taxable Property within CFD No. 2022-1. If any Assessor’s Parcel Numbers are no longer valid from the previous Fiscal Year, the CFD Administrator shall determine the new Assessor’s Parcel Number or Numbers that are in effect for the current Fiscal Year. To the extent an Assessor’s Parcel(s) of Taxable Property are subdivided, consolidated or otherwise reconfigured, the Special Tax rates shall be assigned to the new Assessor’s Parcel(s) pursuant to Section C.

Each Fiscal Year, all Assessor’s Parcels and Leasehold Interests within CFD No. 2022-1 shall be classified as follows:

1. Each Assessor’s Parcel and Leasehold Interest shall be determined to be Taxable Property or Exempt Property.
2. Each Taxable Property shall be assigned to a Tax Zone.
3. Each Taxable Property shall further be classified as Developed Property, Final Map Property, Taxable Public Property, Taxable Property Owner Association Property, Taxable Welfare Exempt Property, or Undeveloped Property. Taxable Property shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment of Special Taxes determined pursuant to Sections C and D below.
4. Each Taxable Property of Developed Property, Taxable Public Property and Taxable Welfare Exempt Property shall further be classified as Single Family Residential Property, Apartment Property, Townhome Property, Hotel Property, or Non-Residential Property. Single Family Residential Property and Apartment Property shall further have Dwelling Units that are BMR Units identified.

C. MAXIMUM SPECIAL TAX RATES – TAX ZONE NO. 1

1. Developed Property and Final Map Property

The Maximum Special Tax for each Taxable Property of Developed Property and Final Map Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

a. Assigned Special Tax

The Assigned Special Tax for each Taxable Property that is Developed Property and Final Map Property is shown in Table 1 for Tax Zone A.

**TABLE 1 – TAX ZONE A
ASSIGNED SPECIAL TAX FOR DEVELOPED PROPERTY AND FINAL MAP PROPERTY
FISCAL YEAR 2022/23**

Land Use Class	Land Use Type	Assigned Special Tax
1	Single Family Residential Property	\$5,500 per Dwelling Unit
2	Townhome Property	4,500 per Dwelling Unit 1,900 per BMR Unit
3	Apartment Property	877.25 per Dwelling Unit
4	Hotel Property	2.48 per Square Foot of Non-Residential Floor Area
5	Non-Residential Property	2.18 per Square Foot of Non-Residential Floor Area

Should a Land Use Class be changed to a different Land Use Type, the Assigned Special Tax for the revised Land Use Type shall apply and the Expected Revenue in Table 2 shall be revised accordingly.

Taxable Public Property and Taxable Welfare Exempt Property shall continue to be assigned to the same land use class as the property was assigned to before becoming Taxable Public Property or Taxable Welfare Exempt Property. Taxable Property Owner Association Property shall be assigned to land use class 5.

The Assigned Special Tax for each Taxable Property that is Developed Property and Final Map Property is shown in Table 1 for Tax Zone A.

**TABLE 1 – TAX ZONE B
ASSIGNED SPECIAL TAX FOR DEVELOPED PROPERTY AND FINAL MAP PROPERTY
FISCAL YEAR 2022/23**

Land Use Class	Land Use Type	Assigned Special Tax
5	Non-Residential Property	\$1.14 per Square Foot of Non-Residential Floor Area

Taxable Public Property and Taxable Welfare Exempt Property shall continue to be assigned to the same land use class as the property was assigned to before becoming Taxable Public Property or Taxable Welfare Exempt Property. Taxable Property Owner Association Property shall be assigned to land use class 5.

b. Backup Special Tax

The Backup Special Tax per Land Use Class for each Taxable Property that is Developed Property and Final Map Property, is calculated as follows:

$$\text{Backup Special Tax} = \frac{\text{Expected Revenue} / \text{ Dwelling Units or Non-Residential Floor Area on Developed Property and/or Dwelling Units or Non-Residential Floor Area expected on Final Map Property}}{\text{Dwelling Units or Non-Residential Floor Area on Developed Property and/or Dwelling Units or Non-Residential Floor Area expected on Final Map Property}}$$

For each Land Use Class, by reference to Table 2, should the number of Dwelling Units or Non-Residential Floor Area be less than the Expected Dwelling Units or Non-Residential Floor Area when all Taxable Property has been classified as Developed Property and Final Map Property, the Backup Special Tax per Dwelling Unit or Square Foot of Non-Residential Floor Area shall be adjusted so that the Backup Special Tax per Dwelling Unit or Non-Residential Floor Area is sufficient to generate the Expected Revenue from the levy of Special Taxes on Taxable Property in each Land Use Class in any Fiscal Year. The CFD Administrator shall update Table 2 with the revised Dwelling Units or Non-Residential Floor Area and Expected Revenue to be derived from each Land Use Class.

**TABLE 2 – TAX ZONE A
EXPECTED DWELLING UNITS AND EXPECTED REVENUE
FISCAL YEAR 2022/23**

Land Use Class	Expected Dwelling Units/Square Feet of Non-Residential Floor Area	Expected Revenue
1	148	\$814,000.00
2	52 (21 of which are BMR Units)	179,400.00
3	285	250,016.25
4	100,876	250,172.48
5	19,024	41,472.32

Prior to a sale of CFD No. 2022-1 Bonds, if a Land Use Class change for Taxable Property is proposed or identified that will result in a change in the Expected Revenues, no action will be needed pursuant to this Section. Each Fiscal Year, the CFD Administrator shall update Table 2 to show the revised Units and Expected Revenues if a Land Use Class change has been approved.

After a sale of CFD No. 2022-1 Bonds, if a Land Use Class change for Taxable Property is proposed or identified, the following must be applied:

If the Special Tax revenue from the levy of Special Taxes on Taxable Property in each respective Land Use Class calculated based on the Land Use Class change is greater than the respective revenue reflected in Table 2 or less than the respective revenue calculated in Table 2, but the reduction in Expected Revenues does not reduce debt service coverage below any minimum debt

service coverage assumed in connection with the sale of CFD No. 2022-1 Bonds, no further action is needed, and the CFD Administrator shall update Table 2 to show the revised Expected Revenues.

If the Special Tax revenue from the levy of Special Taxes on Taxable Property in each respective Land Use Class calculated based on the Land Use Class change are less than the respective revenue reflected in Table 2, and the CFD Administrator determines that the reduction in Expected Revenues would reduce debt service coverage below any minimum debt service coverage assumed in connection with the sale of CFD No. 2022-1 Bonds, the Special Tax that can be levied on the Taxable Property subject to a Land Use Class change will be subject to one of the following: (i) the landowner requesting the Land Use Class change may make a partial prepayment of Special Taxes for the Taxable Property subject to the Land Use Class change in an amount that will ensure that the reduced Expected Revenues are sufficient to meet any minimum debt service coverage assumed in connection with the sale of CFD No. 2022-1 Bonds or (ii) if a prepayment is not selected, the Assigned Special Tax on the Taxable Property subject to the Land Use Class change shall be increased proportionately until the Expected Revenues are sufficient to maintain any minimum debt service coverage assumed in connection with the sale of CFD No. 2022-1 Bonds.

There is no Backup Special Tax for Tax Zone B.

c. Increase in the Assigned Special Tax and Backup Special Tax for Tax Zones A and B

On each July 1, commencing on July 1, 2023, the Assigned Special Tax and the Backup Special Tax for Developed Property and Final Map Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

d. Multiple Land Use Classes

In some instances, Taxable Property that is Developed Property and Final Map Property may contain more than one Land Use Class. The Special Tax levied on Taxable Property shall be the sum of the Special Tax for all Land Use Classes located on that Taxable Property.

2. Undeveloped Property

a. Maximum Special Tax

The Maximum Special Tax for each Taxable Property that is Undeveloped Property shall be \$65,250 per Acre in Fiscal Year 2022/23 for Tax Zone A.

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2023, the Maximum Special Tax for Undeveloped Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year for Tax Zone A.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

1. Tax Zone A

Commencing with Fiscal Year 2023/24 and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement, and shall levy the Special Tax until the amount of the Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows for Tax Zone A:

First: The Special Tax shall be levied Proportionately on each Taxable Property that is Developed Property and Taxable Welfare Exempt Property at a rate up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Taxable Property that is Final Map Property at a rate up to 100% of the Maximum Special Tax for Final Map Property to satisfy the Special Tax Requirement.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Taxable Property that is Undeveloped Property at a rate up to 100% of the Maximum Special Tax for Undeveloped Property to satisfy the Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied on each Taxable Property that is Taxable Property Owner Association Property at a rate up to 100% of the Maximum Special Tax for Taxable Property Owner Association Property to satisfy the Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Taxable Property that is Taxable Public Property at a rate up to 100% of the Maximum Special Tax for Taxable Public Property to satisfy the Special Tax Requirement.

2. Tax Zone B

Commencing in the Fiscal Year following the Tax Zone B Lease Event and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement, and shall levy the Special Tax until the amount of the Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows for Tax Zone B:

First: The Special Tax shall be levied Proportionately on each Taxable Property that is Developed Property and Taxable Welfare Exempt Property at a rate up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

E. EXEMPTIONS

1. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property or Public Property. Any property that is classified as Property Owner Association Property or Public Property prior to the issuance of the first

series of CFD No. 2022-1 Bonds shall thereafter be exempt from the levy of the Special Tax. Any property that is classified as Property Owner Association Property or Public Property after the first series of CFD No. 2022-1 Bonds have been issued shall be classified as Taxable Property Owner Association Property or Taxable Public Property and shall not be exempt from the levy of the Special Tax.

2. Any property that is granted a welfare exemption pursuant to Section 53340(c) under the Act under subdivision (g) of Section 214 of the Revenue and Taxation Code prior to the issuance of the first series of CFD No. 2022-1 Bonds shall thereafter be exempt from the levy of the Special Tax. Any property that is granted a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code after the first series of CFD No. 2022-1 Bonds have been issued shall not be considered Welfare Exempt Property and shall not be exempt from the levy of the Special Tax.
3. Property Owner Association Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Property Owner Association Property. Taxable Property Owner Association Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property.
4. Public Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Public Property. Taxable Public Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the sixth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Public Property.
5. Dwelling Units that are ADUs shall not be subject to the levy of the Special Tax.

F. APPEALS

Any property owner may file a written appeal of the Special Taxes with the CFD Administrator claiming that the amount or application of the Special Taxes is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes, including the disputed Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Taxes to be modified or changed in favor of the property owner, the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATIONS

The City may, by resolution or ordinance, interpret, clarify and/or revise this Rate and Method of Apportionment of Special Taxes to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of Taxable Property, or any definition used herein, as long as once CFD No. 2022-1 Bonds have been issued such correction does not materially adversely affect the levy and collection of Special Taxes needed to repay the CFD No. 2022-1 Bonds. In addition, the interpretation and application of any section of this document shall be at the City's discretion.

H. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the CFD Administrator may, directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner as necessary to meet the financial obligations of CFD No. 2022-1, and may covenant to foreclose and may actually foreclose or cause an action for foreclosure to be prosecuted in respect of Taxable Property that is delinquent in the payment of the Special Tax.

I. TERM AND PREPAYMENT

The Special Tax shall be levied and collected as needed to fund the Special Tax Requirement in perpetuity, subject to the remainder of this section I. The Special Tax may not be prepaid. No portion of the Special Tax shall be levied for Authorized Facilities beyond 100 years from the initial levy of the Special Tax.

ATTACHMENT A
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR
CITY OF SAN LEANDRO
COMMUNITY FACILITIES DISTRICT NO. 2022-1
(MONARCH BAY SHORELINE FACILITIES & SERVICES)

Assessor's Parcel Number	Tax Zone
079A-0590-001-05	A
079A-0590-001-07	A
079A-0590-001-08	A
079A-0590-002-00	A
079A-0590-003-00	A
079A-0590-004-00	A
079A-0590-005-00	B
079A-0590-006-00	B
079A-0475-009-04	A
080G-0900-004-01	A
080G-0900-001-08	B