

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR  
COMMUNITY FACILITIES DISTRICT NO. 2022-01 (MEDITERRA)  
OF THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF  
CALIFORNIA**

A Special Tax (all capitalized terms are defined in Section A., “Definitions”, below) shall be applicable to each Parcel of Taxable Property located within the boundaries of Community Facilities District No. 2022-01 (Mediterra). The amount of Special Tax to be levied on a Parcel in each Fiscal Year, commencing in Fiscal Year 2023-2024, shall be determined by the City Council of the City of Highland, acting in its capacity as the legislative body of the CFD by applying the appropriate Special Tax as set forth in Sections B., C., and D., below. All of the real property within the CFD, unless exempted by law or by the provisions of Section E. below, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

“**Acre**” or “**Acreage**” means the land area of a Parcel as indicated on the most recent Assessor’s Parcel Map, or if the land area is not shown on the Assessor’s Parcel Map, the land area shown on the applicable Final Map, Assessor’s Parcel Map, condominium plan, or other recorded County map or the land area calculated to the reasonable satisfaction of the Administrator using the boundaries set forth on such map or plan. The square footage of a Parcel is equal to the Acreage of such Parcel multiplied by 43,560.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means all actual or reasonably estimated costs and expenses of the CFD that are chargeable or allocable to carry out its duties as the Administrator of the CFD as allowed by the Act, which shall include without limitation, all costs and expenses arising out of or resulting from the annual levy and collection of the Special Tax (whether by the City or designee thereof or both), any litigation or appeal involving the CFD, and other administrative expenses of the City or designee thereof directly related to the CFD. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD for attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

“**Administrator**” means an official of the City, or designee thereof, responsible for determining the annual amount of the levy and collection of the Special Taxes.

**“Approved Property”** means all Parcels of Taxable Property: (i) that are included in a Final Map that was recorded prior to January 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied, and (ii) that have not been issued a Building Permit prior to the April 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied.

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

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

**“Assessor’s Parcel Number”** means the number assigned to a lot or Parcel for purposes of identification as determined from an Assessor Parcel Map or the applicable assessment roll.

**“Base Year”** means the Fiscal Year ending June 30, 2024.

**“Boundary Map”** means a recorded map of the CFD which indicates by a boundary line the extent of the territory identified to be subject to the levy of Special Taxes.

**“Building Permit”** means the first legal document issued by a local agency giving official permission for new construction. For purposes of this definition, "Building Permit" shall not include any subsequent Building Permits issued or changed after the first issuance.

**“CFD”** means Community Facilities District No. 2022-01 (Mediterra) of the City of Highland.

**“City”** means the City of Highland, California

**“Consumer Price Index”** means the Consumer Price Index published by the U.S. Bureau of Labor Statistic for “All Urban Consumers” in the ~~San Bernardino~~Riverside-San Bernardino-Ontario Area, measured as of the month of March in the Calendar Year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the Administrator that is reasonably comparable to the Consumer Price Index for the ~~San Bernardino~~Riverside-San Bernardino-Ontario Area.

**“Council”** means the City Council of the City acting as the legislative body of the CFD.

**“County”** means the County of San Bernardino, California.

**“Developed Property”** means all Parcels of Taxable Property: (i) that are included in a Final Map that was recorded prior to January 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a Building Permit for new construction has been issued prior to April 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied.

**“ Dwelling Unit” or “(D/U)”** means a residential unit that is used or intended to be used as a domicile by one or more persons, as determined by the Administrator.

**“Exempt Property”** means any Parcel which is exempt from Special Taxes pursuant to Section E., below.

**“Final Map”** means a subdivision of property by recordation of a Assessor’s Parcel Map or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

**“Fiscal Year”** means the 12 month period starting on July 1 of any calendar year and ending the following June 30.

**“Fuel Modification”** means the necessary maintenance of combustible native or ornamental vegetation to reduce the threat of wildfire.

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

**“Maximum Special Tax”** means the Maximum Special Tax A, ~~or the~~ Maximum Special Tax B, Maximum Special Tax C or Maximum Special Tax D.

**“Maximum Special Tax A”** means for each Parcel in each Fiscal Year, the greatest amount of Special Tax A, determined in accordance with Section C., below, which may be levied on such Parcel in such Fiscal Year.

**“Maximum Special Tax B”** means for each Parcel in each Fiscal Year, the greatest amount of Special Tax B, determined in accordance with Section C., below, which may be levied on such Parcel in such Fiscal Year.

**“Maximum Special Tax C”** means for each Parcel in each Fiscal Year, the greatest amount of Special Tax C, determined in accordance with Section C., below, which may be levied on such Parcel in such Fiscal Year.

**“Maximum Special Tax D”** means for each Parcel in each Fiscal Year, the greatest amount of Special Tax D, determined in accordance with Section C., below, which may be levied on such Parcel in such Fiscal Year.

**“Mixed Use”** means a zoning type that blends residential, commercial, retail or other land uses on a single parcel.

**“Multifamily Residential Property”** means all Parcels of Developed Property that consists of a building or buildings comprised of attached Dwelling Units available for rental by the general public, not for sale to an end user, and under common management.

**“Non-Residential Property”** means all Parcels of Developed Property for which a Building Permit was issued, permitting the construction of one or more non-residential structures.

**“Operating Reserves”** means cash reserves to fund the Special Tax [A Requirement](#), [Special Tax B Requirement](#), [Special Tax C Requirement](#) or [Special Tax D Requirement](#) in the event of cash flow shortages or unexpected increases in costs.

**“Parcel(s)”** means a lot or parcel within the CFD shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number valid as of July 1<sup>st</sup> for the Fiscal Year for which the Special Tax is being levied.

**“Property Owner’s Association Property”** means all Parcels which have been conveyed, dedicated to, or irrevocably offered for dedication to a property owner association, including any master or sub-association, prior to April 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied.

**“Proportionately”** means for Parcels of Taxable Property that are (i) Developed Property, that the ratio of the actual Special Tax levy to Maximum Special Tax is the same for all Parcels of Developed Property, (ii) Approved Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is the same for all Parcels of Approved Property, and (iii) Undeveloped Property, Public Property or Property Owner’s Association Property, that the ratios of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is the same for all Parcels of Undeveloped Property, Public Property and Property Owner’s Association Property.

**“Public Property”** means all Parcels which, as of April 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied, are (i) used for rights-of-way or any other purpose and is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State, the County, 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 shall be taxed and classified according to its use; or (ii) encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

**“Residential Property”** means all Parcels of Developed Property for which a Building Permit has been issued permitting the construction of one or more residential Dwelling Units.

**“Single Family Property”** means all Parcels of Residential Property, other than Multifamily Residential Property.

**“Single Family – Low Density Residential Property” means all Single Family Property with a density of 2.1 to 6.0 D/Us per acre, Planning Areas 1, 2, and 3 .**

“Single Family – Medium Density Residential Property” means all Single Family Property with a density of 4.0 to 12.0 D/Us per acre, Planning Area 4.

**“Special Tax(es)”** means the Special Tax A, Special Tax B, Special Tax C and Special Tax D to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D.

**“Special Tax A”** means the special tax to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D.1 to fund the Special Tax A Requirement.

**“Special Tax Area A”** means the parcels comprising Special Tax Area A as depicted and defined in the Boundary Map.

**“Special Tax A Requirement”** means for each Fiscal Year, that amount required to pay: (i) the estimated cost of Special Tax Area A Services for such Fiscal Year as determined by the City; (ii) fund the Special Tax A Reserve Fund in an amount not to exceed 20% of the Special Tax A Reserve Fund Requirement (iii) pay Administrative Expenses; (iv) pay for the actual or anticipated shortfall due to Special Tax A delinquencies in the current or prior Fiscal Year; and (v) less a credit for funds available to reduce the annual Special Tax A levy as determined by the Administrator.

**“Special Tax A Reserve Fund”** means a fund to be used for capital replacement and Operating Reserves related to the Special Tax A Services.

**“Special Tax A Reserve Fund Requirement”** means an amount up to 200% of the anticipated annual cost of Special Tax A Services of \$43,034 for the Base Year. The Special Tax A Reserve Fund Requirement shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the amount in effect in the previous Fiscal Year.

**“Special Tax A Services”** means (i) In-Tract Street lights maintenance including energy charges, operation, maintenance and administrative costs of streetlights within the boundaries of Special Tax Area A, (ii) Medians on Greenspot Rd - Landscape maintenance to be financed, including streetscape and related facilities specifically identified within Special Tax Area A. The landscape maintenance may include, but is not limited to, all landscaping materials such as turf, ground cover, shrub, trees, plants, irrigation and drainage systems, weed control and other abatements, electricity, repair/replacement and inspection, (iii) Streetscape Landscaping in front of Basin (Lot C of Tract 18893-2). The landscape maintenance may include, but is not limited to all landscaping materials such as turf, ground cover, shrub, trees, plants, irrigation and drainage systems, weed control and other abatements, lighting, electricity, repair/replacement and inspection. Inspection is inclusive of scheduling, travel time, visual inspection process and procedures, GPS location recording, reporting by device,

annual reporting, visual inspection for functionality, vegetated as designed, irrigation is complete and in working order, noting any of the following: any deficiencies, erosion, trash, silt, sediment, structural deficiencies. Maintenance is inclusive of repair or replacing any of the items noted as deficient or needing to be corrected to not be deficient. Administration is inclusive of quality assurance and control of inspection and maintenance, general contract administration, including phone calls and procurement of goods and services.

**“Special Tax B”** means the special tax to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D.2 to fund the Special Tax B Requirement.

**“Special Tax Area B”** means the parcels comprising Special Tax Area B as depicted and defined in the Boundary Map.

**“Special Tax B Requirement”** means for each Fiscal Year, that amount required to pay: (i) the estimated cost of Special Tax Area B Services for such Fiscal Year as determined by the City; (ii) fund the Special Tax B Reserve Fund in an amount not to exceed 20% of the Special Tax B Reserve Fund Requirement (iii) pay Administrative Expenses; (iv) pay for the actual or anticipated shortfall due to Special Tax B delinquencies in the current or prior Fiscal Year; and (v) less a credit for funds available to reduce the annual Special Tax B levy as determined by the Administrator.

**“Special Tax B Reserve Fund”** means a fund to be used for capital replacement and Operating Reserves related to the Special Tax B Services.

**“Special Tax B Reserve Fund Requirement”** means an amount up to 200% of the anticipated annual cost of Special Tax B Services of \$126,625 for the Base Year. The Special Tax B Reserve Fund Requirement shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the amount in effect in the previous Fiscal Year.

**“Special Tax B Services”** means (i) Public Park Lot B TR 18893-2 (excluding Clubhouse and Pool area) landscape maintenance and related facilities, retaining walls, fencing, sidewalks, playground equipment, picnic tables, benches, trash receptacles, and related fixtures and exercise equipment and (ii) Trail and Access Road located in portions of Lot A of Tract 18893-1 and TR 18893-2 and estimated Trail and Access Road in Phase 3 and Phase 4. The landscaping maintenance in (i) may include, but is not limited to all landscaping materials such as turf, ground cover, shrub, trees, plants, irrigation and drainage systems, weed control and other abatements, streetlights, electricity, repair/replacement and inspection. Inspection is inclusive of scheduling, travel time, visual inspection process and procedures, GPS location recording, reporting by device, annual reporting; visual inspection for functionality, vegetated as designed, irrigation is complete and in working order, noting any of the following: deficiencies, erosion, trash, silt, sediment, structural deficiencies. Maintenance is inclusive of repair or replacing any



of the items noted as deficient or needing to be corrected to not be deficient. Administration is inclusive of quality assurance and control of inspection and maintenance, general contract administration, including phone calls and procurement of goods and services.

**“Special Tax C”** means the special tax to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D.2 to fund the Special Tax C Requirement. Maintenance of the Special Tax C Improvements shall be the responsibility of the Property Owner’s Association as long as the Special Tax C Improvements are being maintained to a standard acceptable to the City. Special Tax C shall not be levied in any year the City determines that the Special Tax C Improvements have been maintained to a standard acceptable to the City. Special Tax C shall begin to be levied in the first year in which the City determines that the Special Tax C Improvements, have not been maintained to a standard acceptable to the City of Highland. The City shall not levy Special Tax C without first giving notice to the Property Owner’s Association specifying the maintenance deficiency related to the Special Tax C Improvements and allowing a sufficient period for curing such deficiency.

**“Special Tax Area C”** means the parcels comprising Special Tax Area C as depicted and defined in the Boundary Map.

**“Special Tax C Requirement”** means for each Fiscal Year, that amount required to pay: (i) the estimated cost of Special Tax Area C Services for such Fiscal Year as determined by the City; (ii) fund the Special Tax C Reserve Fund in an amount not to exceed 20% of the Special Tax ~~CB~~ Reserve Fund Requirement (iii) pay Administrative Expenses; (iv) pay for the actual or anticipated shortfall due to Special Tax C delinquencies in the current or prior Fiscal Year; and (v) less a credit for funds available to reduce the annual Special Tax B levy as determined by the Administrator.

**“Special Tax C Reserve Fund”** means a fund to be used for capital replacement and Operating Reserves related to the Special Tax C Services.

**“Special Tax C Reserve Fund Requirement”** means an amount up to 200% of the anticipated annual cost of Special Tax C Services of \$137,566 for the Base Year. The Special Tax C Reserve Fund Requirement shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the amount in effect in the previous Fiscal Year.

**“Special Tax C Services”** means (i) Lot E (westerly slope) Tract 18893-1 landscape maintenance and related facilities, (ii) Lot F (parkway along Greenspot Road) Tract 18893-1 landscape maintenance and related facilities, (iii) Private Park Lot A Tract 18893-1 landscape maintenance and related facilities, (iv) debris walls and debris fencing, and (v) Fuel Modification in portions of Lot A Tract 18893-1 and Tract 18893-2. The landscaping maintenance in (i) may include, but is not limited to all landscaping materials such as turf, ground cover, shrub, trees, plants, irrigation and drainage systems, weed

control and other abatements, streetlights, electricity, repair/replacement and inspection. Inspection is inclusive of scheduling, travel time, visual inspection process and procedures, GPS location recording, reporting by device, annual reporting; visual inspection for functionality, vegetated as designed, irrigation is complete and in working order, noting any of the following: deficiencies, erosion, trash, silt, sediment, structural deficiencies. Maintenance is inclusive of repair or replacing any of the items noted as deficient or needing to be corrected to not be deficient. Administration is inclusive of quality assurance and control of inspection and maintenance, general contract administration, including phone calls and procurement of goods and services.

**“Special Tax D”** means the special tax to be levied in each Fiscal Year on each Parcel of Taxable Property in accordance with Section D.2 to fund the Special Tax D Requirement. Maintenance of the Special Tax D Improvements shall be the responsibility of the Property Owner’s Association as long as the Special Tax D Improvements are being maintained to a standard acceptable to the City. Special Tax D shall not be levied in any year the City determines that the Special Tax D Improvements have been maintained to a standard acceptable to the City. Special Tax D shall begin to be levied in the first year in which the City determines that the Special Tax D Improvements, have not been maintained to a standard acceptable to the City of Highland. The City shall not levy Special Tax D without first giving notice to the Property Owner’s Association specifying the maintenance deficiency related to the Special Tax D Improvements and allowing a sufficient period for curing such deficiency.

**“Special Tax Area D”** means the parcels comprising Special Tax Area D as depicted and defined in the Boundary Map.

**“Special Tax D Requirement”** means for each Fiscal Year, that amount required to pay: (i) the estimated cost of Special Tax Area D Services for such Fiscal Year as determined by the City; (ii) fund the Special Tax D Reserve Fund in an amount not to exceed 20% of the Special Tax ~~BD~~ Reserve Fund Requirement (iii) pay Administrative Expenses; (iv) pay for the actual or anticipated shortfall due to Special Tax D delinquencies in the current or prior Fiscal Year; and (v) less a credit for funds available to reduce the annual Special Tax B levy as determined by the Administrator.

**“Special Tax D Reserve Fund”** means a fund to be used for capital replacement and Operating Reserves related to the Special Tax D Services.

**“Special Tax D Reserve Fund Requirement”** means an amount up to 200% of the anticipated annual cost of Special Tax ~~ED~~ Services of \$23,028 for the Base Year. The Special Tax D Reserve Fund Requirement shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the amount in effect in the previous Fiscal Year.

**“Special Tax D Services”** means (i) Stormwater facilities and BMPs including water quality basins and any other NPDES/WQMP/BMP related devices which are eligible for



financing under the Act, landscape maintenance, gabion baskets and fencing and (ii) landscape maintenance and related facilities of Mediterra Parkway Median and Roundabout. The landscaping maintenance in (i) may include, but is not limited to all landscaping materials such as turf, ground cover, shrub, trees, plants, irrigation and drainage systems, weed control and other abatements, streetlights, electricity, repair/replacement and inspection. Inspection is inclusive of scheduling, travel time, visual inspection process and procedures, GPS location recording, reporting by device, annual reporting; visual inspection for functionality, vegetated as designed, irrigation is complete and in working order, noting any of the following: deficiencies, erosion, trash, silt, sediment, structural deficiencies. Maintenance is inclusive of repair or replacing any of the items noted as deficient or needing to be corrected to not be deficient. Administration is inclusive of quality assurance and control of inspection and maintenance, general contract administration, including phone calls and procurement of goods and services.

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

“**Taxable Property**” means all Parcels within the boundary of the CFD, inclusive of Special Tax A, Special Tax B, Special Tax C and Special Tax D pursuant to the Boundary Map which are not exempt from the Special Tax pursuant to Section E., below.

“**Taxable Unit**” means either a Dwelling Unit or an Acre, as shown in Tables 1-3.

“**Undeveloped Property**” means all Parcels of Taxable Property not classified as Developed Property, Approved Property, Public Property, or Property Owner’s Association Property.

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

Each Fiscal Year, commencing with Fiscal Year 2023-2024, all Parcels of Taxable Property shall be classified as either Developed Property, Approved Property, Undeveloped Property, Public Property, or Property Owner’s Association Property; and subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C. and D.

Parcels of Developed Property shall further be classified as Residential Property or Non-Residential Property. Parcels of Residential Property shall further be classified as Single Family – [Low Density Residential](#) Property, [Single Family – Medium Density Residential Property](#) or Multifamily Residential Property.

**C. MAXIMUM SPECIAL TAX RATES**

**1. Developed Property**

The Maximum Special Tax A, Maximum Special Tax B, Maximum Special Tax C and Maximum Special Tax D that may be levied and escalated, as explained further in Section C.1. (a) below, in any Fiscal Year for each Parcel classified as Developed Property shall be determined by reference to Table 1 below according to the Special Tax Area in which the Parcel is located.

**TABLE 1  
Maximum Special Tax Rates for Developed Property  
for Fiscal Year 2023-2024**

Land Use Class	Description	Taxable Unit	Maximum Special Tax A Per Taxable Unit	Maximum Special Tax B Per Taxable Unit	Maximum Special Tax C Per Taxable Unit	Maximum Special Tax D Per Taxable Unit
1	Single Family - <u>Low Density Residential Property</u>	D/U	\$144.00	\$425.00	\$462.00	\$77.00
2	<u>Single Family - Medium Density Residential Property</u>	D/U	\$130.00	\$385.00	\$418.00	\$70.00
23	Multifamily Residential Property	Acre	\$810.00	\$1,4041,161.00	\$2,589.00725	\$433211.00
34	Non-Residential Property	Acre	\$810.00	\$1,161.00404	\$2,589.00725	\$211.00433

(a) Increase in the Maximum Special Tax

On each July 1, following the Base Year, the Maximum Special Tax A, Special Tax B, Special Tax C and Maximum Special Tax D, identified in Table 1 above, shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the Maximum Special Tax in effect in the previous Fiscal Year.

(b) Multiple Land Use Classes

In some instances a Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax A that may be levied on such Parcel shall be the sum of the Maximum Special Tax A that can be levied for each Land Use Class located on that Parcel. The Maximum Special Tax B that may be levied on such Parcel shall be the sum of the Maximum Special Tax B that can be levied for each Land Use Class located on that Parcel. The Maximum Special Tax C that may be levied on such Parcel shall be the sum of the Maximum Special Tax C that can be levied for each Land Use Class located on that Parcel. The Maximum Special Tax D that may be levied on such Parcel shall be the sum of the Maximum Special Tax D that can be levied for each Land Use Class located on that Parcel. For a Parcel that contains more than one Land Use Class (Mixed Use) the residential portion will be assessed based on Dwelling Units and the other land uses will be assessed based on acreage as designated for each land use as determined by reference to the site plan approved for such Parcel. The Administrator's allocation to each Land Use Class shall be final.

**2. Approved Property**

[The Maximum Special Tax A, Maximum Special Tax B, Maximum Special Tax C and Maximum Special Tax D that may be levied and escalated for each Parcel classified as Approved Property shall be the amount determined by reference to Table 4 according to the Special Tax Area within which the Parcel is located.](#)

**TABLE 2**  
**Maximum Special Tax for Approved Property**  
**for Fiscal Year 2023-2024**

<u>Maximum Special Tax A Per Acre</u>	<u>Maximum Special Tax B Per Acre</u>	<u>Maximum Special Tax C Per Acre</u>	<u>Maximum Special Tax D Per Acre</u>
<u>\$810.00</u>	<u>\$0.00</u>	<u>\$2,589.00</u>	<u>\$0.00</u>

The Maximum Special Tax A, Maximum Special Tax B, Maximum Special Tax C and Maximum Special Tax D for UndevelopedApproved Property shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the corresponding Maximum Special Tax in effect in the previous Fiscal Year.

The Maximum Special Tax A for each Parcel of Approved Property shall be equal to the product of the applicable UndevelopedApproved Property Maximum Special Tax A per Acre times the Acreage of such Parcel; provided, however, for a Parcel of Approved Property that is expected to become Single Family Property as reasonably determined by the Administrator based on the Final Map recordation for such Parcel, the Maximum Special Tax A for such Parcel of Approved Property shall be calculated pursuant to Section C.1 as if such Parcel were already designated as Single Family Property.

The Maximum Special Tax B for each Parcel of Approved Property shall be equal to the product of the applicable UndevelopedApproved Property Maximum Special Tax B per Acre times the Acreage of such Parcel; provided, however, for a Parcel of Approved Property that is expected to become Single Family Property as reasonably determined by the Administrator based on the Final Map for such Parcel, the Maximum Special Tax B for such Parcel of Approved Property shall be calculated pursuant to Section C.1 as if such Parcel were already designated as Single Family Property.

The Maximum Special Tax C for each Parcel of Approved Property shall be equal to the product of the applicable UndevelopedApproved Property Maximum Special Tax C per Acre times the Acreage of such Parcel; provided, however, for a Parcel of Approved Property that is expected to become Single Family Property as reasonably determined by the Administrator based on the Final Map for such Parcel, the Maximum Special Tax BC for such Parcel of Approved Property shall

be calculated pursuant to Section C.1 as if such Parcel were already designated as Single Family Property.

The Maximum Special Tax D for each Parcel of Approved Property shall be equal to the product of the applicable ~~Undeveloped~~Approved Property Maximum Special Tax D per Acre times the Acreage of such Parcel; provided, however, for a Parcel of Approved Property that is expected to become Single Family Property as reasonably determined by the Administrator based on the Final Map for such Parcel, the Maximum Special Tax ~~BD~~ for such Parcel of Approved Property shall be calculated pursuant to Section C.1 as if such Parcel were already designated as Single Family Property.

The Maximum Special Tax A, Maximum Special Tax B, Maximum Special Tax C and Maximum Special Tax D for Approved Property, each area calculated independent of the other, shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the corresponding Maximum Special Tax in effect in the previous Fiscal Year.

### 3. Undeveloped Property

The Maximum Special Tax A, Maximum Special Tax B, Maximum Special Tax C and Maximum Special Tax D that may be levied and escalated for each Parcel classified as Undeveloped Property shall be the amount determined by reference to Table 3 according to the Special Tax Area within which the Parcel is located~~The Maximum Special Tax A, Maximum Special Tax B, Maximum Special Tax C and Maximum Special Tax B that may be levied and escalated for each Parcel classified as Undeveloped Property shall be \$0. the amount determined by reference to Table 3 according to the Special Tax Area within which the Parcel is located.~~

**TABLE 3**  
**Maximum Special Tax for Undeveloped Property**  
**for Fiscal Year 2023-2024**

Maximum Special Tax A Per Acre	Maximum Special Tax B Per Acre	Maximum Special Tax C Per Acre	Maximum Special Tax D Per Acre
\$810.00	\$0.00\$1,404	\$2,589.00\$2,725	\$0.00\$433

4.—The Maximum Special Tax A, Maximum Special Tax B, Maximum Special Tax C and Maximum Special Tax D for Undeveloped Property shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the corresponding Maximum Special Tax in effect in the previous Fiscal Year.



**5.4. Public Property and/or Property Owner’s Association Property that is not Exempt Property pursuant to the provisions of Section E.**

The Maximum Special Tax A for each Parcel of Taxable Public Property and/or Property Owners Association Property shall be equal to the product of the applicable Undeveloped Property Maximum Special Tax A per Acre times the Acreage of such Parcel and shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the Maximum Special Tax A in effect in the previous Fiscal Year.

The Maximum Special Tax B for each Parcel of Taxable Public Property and/or Property Owners Association Property shall be equal to the product of the applicable Undeveloped Property Maximum Special Tax B per Acre times the Acreage of such Parcel and shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the Maximum Special Tax B in effect in the previous Fiscal Year.

The Maximum Special Tax C for each Parcel of Taxable Public Property and/or Property Owners Association Property shall be equal to the product of the applicable Undeveloped Property Maximum Special Tax C per Acre times the Acreage of such Parcel and shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the Maximum Special Tax ~~CB~~ in effect in the previous Fiscal Year.

The Maximum Special Tax D for each Parcel of Taxable Public Property and/or Property Owners Association Property shall be equal to the product of the applicable Undeveloped Property Maximum Special Tax D per Acre times the Acreage of such Parcel and shall be increased annually, commencing July 1, 2024, based on the percentage increase in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) of the Maximum Special Tax ~~BD~~ in effect in the previous Fiscal Year.

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

**1. Special Tax A**

Commencing with Fiscal Year 2023-2024 and for each following Fiscal Year, the Administrator shall levy the Special Tax ~~Afs~~ on all Taxable Property until the amount of Special Tax A equals the Special Tax A Requirement in accordance with the following steps:

First: The Special Tax A shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax A as needed to satisfy the Special Tax A Requirement;

Second: If additional moneys are needed to satisfy the Special Tax A Requirement after the first step has been completed, the Special Tax A shall be levied Proportionately on each Parcel of Approved Property at up to 100% of the Maximum Special Tax A for Approved Property;

Third: If additional moneys are needed to satisfy the Special Tax A Requirement after the first two steps have been completed, the Special Tax A shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the applicable Maximum Special Tax A for Undeveloped Property;

## 2. Special Tax B

Commencing with Fiscal Year 2023-2024 and for each following Fiscal Year, the Administrator shall levy the Special Tax B on all Taxable Property until the amount of Special Tax B equals the Special Tax B Requirement in accordance with the following steps:

First: The Special Tax AB shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax B as needed to satisfy the Special Tax AB Requirement;

~~Upon the recordation of the Final Map for Phase 3 and 4 (assessor pParcel numbers 0297-021-31-0000 and 0297-051-27-0000 or their successor assessor pParcel numbers), these parcels shall be levied along with Developed Property as part of the Special Tax D "First" step described above.~~

~~Second: If additional moneys are needed to satisfy the Special Tax B Requirement after the first step has been completed, the Special Tax AB shall be levied Proportionately on each Parcel of Approved Property at up to 100% of the Maximum Special Tax B for Approved Property;~~

## 3. Special Tax C

Commencing with Fiscal Year 2023-2024 and for each following Fiscal Year, the Administrator shall levy the Special Tax C on all Taxable Property until the amount of Special Tax C equals the Special Tax C Requirement in accordance with the following steps:

First: The Special Tax C shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax C as needed to satisfy the Special Tax C Requirement;

Second: If additional moneys are needed to satisfy the Special Tax C Requirement after the first step has been completed, the Special Tax C shall be levied Proportionately on each Parcel of Approved Property at up to 100% of the Maximum Special Tax C for Approved Property;

Third: If additional moneys are needed to satisfy the Special Tax C Requirement after the first two steps have been completed, the Special Tax C shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the applicable Maximum Special Tax C for Undeveloped Property;

#### **4. Special Tax D**

Commencing with Fiscal Year 2023-2024 and for each following Fiscal Year, the Administrator shall levy the Special Tax D on all Taxable Property until the amount of Special Tax ~~BD~~ equals the Special Tax D Requirement in accordance with the following steps:

First: The Special Tax D shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax D as needed to satisfy the Special Tax D Requirement;

~~Upon the recordation of the Final Map for Phase 3 and 4 (assessor pParcel numbers 0297-021-31-0000 and 0297-051-27-0000 or their successor assessor pParcel numbers), these parcels shall be levied along with Developed Property as part of the Special Tax D "First" step described above.~~

~~Second: If additional moneys are needed to satisfy the Special Tax D Requirement after the first step has been completed, the Special Tax D shall be levied Proportionately on each Parcel of Approved Property at up to 100% of the Maximum Special Tax D for Approved Property;~~

Notwithstanding the above, under no circumstances will the Special Taxes levied in any Fiscal Year against any Parcel of Residential Property for which a Building Permit has been issued be increased by more than ten percent (10%) as a result of a delinquency in the payment of the Special Tax applicable to any other Parcel above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

#### **E. EXEMPTIONS**

The CFD shall not levy Special Taxes on Public Property and Property Owner's Association Property within the CFD. If any Parcels of Public Property or Property Owner's Association Property are converted to Taxable Property as the result of the sale of an Exempt Parcel to a private owner for residential or non-residential development, it

shall become subject to the Special Tax in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C. and D.

#### **F. MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD, and provided further that the CFD may covenant to foreclose and may actually foreclose on Parcels having delinquent Special Taxes as permitted by the Act.

#### **G. APPEALS**

Any taxpayer may file a written appeal of the Special Tax on his/her Parcel(s) with the Administrator, provided that the appellant is current in his/her payments of Special Taxes. During pendency of an appeal, all Special Taxes must be paid on or before the payment due date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The Administrator shall review the appeal, meet with the appellant if the Administrator deems necessary, and advise the appellant of its determination. If the Administrator agrees with the appellant, the Administrator shall grant a credit to eliminate or reduce future Special Taxes on the appellant's Parcel(s). No refunds of previously paid Special Taxes shall be made.

The Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual levy and administration of the Special Tax and any taxpayer who appeals, as herein specified.

#### **H. TERM OF THE SPECIAL TAX**

The Special Tax A, Special Tax B, Special Tax C and Special Tax D shall be levied annually in perpetuity unless terminated earlier by the City.