



GOODWIN CONSULTING GROUP

**CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 98-3
(DA PROPERTIES)**

**CFD TAX ADMINISTRATION REPORT
FISCAL YEAR 2020-21**

September 23, 2020

Community Facilities District No. 98-3
CFD Tax Administration Report

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EXECUTIVE SUMMARY

The following summary provides a brief overview of the main points from this report regarding the City of Tracy Community Facilities District No. 98-3 (DA Properties) (“CFD No. 98-3”):

Fiscal Year 2020-21 Special Tax Levy

Number of Taxed Parcels	Total Special Tax Levy
388	\$346,942

For further detail regarding the special tax levy, or special tax rates, please refer to Section IV of this report.

Development Status for Fiscal Year 2020-21

Type of Property	Units or Acreage
Single Family Residential Property	388 Units
Multi-Family Residential Property	0 Units
Non-Residential Property	0.00 Acres

For more information regarding the status of development in CFD No. 98-3, please see Section V of this report.

Delinquency Summary

Delinquent Amount for FY 2019-20 (as of September 22, 2020)	Total Levy for FY 2019-20	Delinquency Rate
\$1,624	\$315,009	0.52%

Outstanding Bonds Summary

Bonds	Original Principal	Amount Retired	Current Amount Outstanding
2005 Special Tax Bonds Series A	\$3,660,000	\$2,670,000*	\$990,000*

* As of the date of this report.

I. INTRODUCTION

City of Tracy Community Facilities District No. 98-3 (DA Properties)

On February 16, 1999, the City Council of the City of Tracy (the “City”) established Community Facilities District No. 98-3 (DA Properties). In a landowner election held on the same day, the qualified landowner electors within CFD No. 98-3 authorized the levy of a Mello-Roos special tax on property within CFD No. 98-3 to fund certain public facilities. The landowners also voted to incur bonded indebtedness, secured by special taxes levied in CFD No. 98-3 in an amount not to exceed \$4,500,000.

The types of facilities to be funded by special tax revenues generally include water facilities (water supply & treatment and water distribution & reservoirs), wastewater facilities (wastewater treatment and wastewater conveyance) and other public infrastructure improvements for the benefit of residents within CFD No. 98-3.

The Mello-Roos Community Facilities Act of 1982

The reduction in property tax revenue that resulted from the passage of Proposition 13 in 1978 required public agencies and real estate developers to look for other means to fund public infrastructure. The funding available from traditional assessment districts was limited by certain requirements of the assessment acts, and it became clear that a more flexible funding tool was needed. In response, the California State Legislature (the “Legislature”) approved the Mello-Roos Community Facilities Act of 1982, which provides for the levy of a special tax within a defined geographic area, namely a community facilities district, if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad range of facilities, and special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

A community facilities district is authorized to issue tax-exempt bonds that are secured by land within the district. If a parcel does not pay the special tax levied on it, a public agency can foreclose on the parcel and use the proceeds of the foreclosure sale to ensure that bondholders receive interest and principal payments on the bonds. Because bonds issued by a community facilities district are land-secured, there is no risk to a public agency’s general fund or taxing capacity. In addition, because the bonds are tax-exempt, they typically carry an interest rate that is lower than conventional construction financing.

II. PURPOSE OF REPORT

This CFD Tax Administration Report (the “Report”) presents findings from research and financial analysis performed by Goodwin Consulting Group, Inc. to determine the fiscal year 2020-21 special tax levy for CFD No. 98-3. The Report is intended to provide information to interested parties regarding CFD No. 98-3, including the current financial obligations of CFD No. 98-3, special taxes to be levied in fiscal year 2020-21, and the development status of CFD No. 98-3.

The remainder of the Report is organized as follows:

- **Section III** identifies financial obligations of CFD No. 98-3 for fiscal year 2020-21.
- **Section IV** provides a summary of the methodology that is used to apportion the Special among parcels in CFD No. 98-3.
- **Section V** summarizes the status of development within CFD No. 98-3.
- **Section VI** describes Special Tax prepayments that have occurred in the CFD, if any.
- **Section VII** provides information on state reporting requirements.

III. SPECIAL TAX REQUIREMENT

Special taxes for CFD No. 98-3 are levied pursuant to the methodology set forth in the Rate and Method of Apportionment of Special Tax (“RMA”), which was adopted as an exhibit to the Resolution of Formation of CFD No. 98-3. The amount of the Special Tax levied in any fiscal year is determined through the application of the Special Tax Requirement. *(Unless otherwise indicated, capitalized terms are defined in the RMA in Appendix C.)*

Special Tax Requirement

The Special Tax Requirement is defined as the amount that must be levied in any fiscal year: (i) to pay principal and interest on Bonds; (ii) create or replenish reserve funds; (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected; (iv) to pay administrative expenses of the CFD; and (v) to pay construction expenses to be funded directly from Special Tax proceeds. For fiscal year 2020-21, the Special Tax Requirement is \$346,942. The calculation of the Special Tax Requirement is shown in the following table.

**Community Facilities District No. 98-3
Special Tax Requirement*
Fiscal Year 2020-21**

Debt Service		\$321,344
February 1, 2021 Interest Payment	\$25,672	
August 1, 2021 Interest Payment	\$25,672	
August 1, 2021 Principal Payment	\$270,000	
Administrative Expenses		\$25,599
City Administration	\$5,000	
Fiscal Agent Costs	\$4,000	
Special Tax Consultant	\$15,435	
County Fee	\$1,164	
Special Tax Requirement for Fiscal Year 2020-21		\$346,942

**Totals may not sum due to rounding.*

IV. SPECIAL TAX LEVY

Special Tax Categories

Special taxes within CFD No. 98-3 are levied pursuant to the methodology set forth in the RMA. Among other things, the RMA establishes various special tax categories against which the special taxes may be levied, the maximum special tax rates, and the methodology by which the special taxes are applied. For each Fiscal Year, all Taxable Property within CFD No. 98-3 shall be classified as either Developed Property or Undeveloped Property and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D in the RMA. For purposes of determining the applicable Special Tax pursuant to Section C of the RMA, Developed Property shall be assigned to one of the Land Use Classes designated in Table 1 in the RMA. For Single Family Residential Property and Multi-Family Residential Property, the number of Residential Units shall be determined by referencing the condominium plan, apartment plan, site plan, or other development plan. *(Unless otherwise indicated, capitalized terms are defined in the RMA in Appendix C.)*

Maximum Special Tax Rates

The maximum Special Tax rates applicable to each category of Taxable Property in CFD No. 98-3 are set forth in Section C of the RMA. The percentage of the maximum special tax rates that will be levied on each land use category in fiscal year 2020-21 are determined by the method of apportionment included in Section D of the RMA. The table in Appendix A identifies the fiscal year 2020-21 maximum special tax rates and actual special tax rates for Taxable Property in CFD No. 98-3.

Apportionment of Special Taxes

As set forth in Section D of the RMA, each fiscal year the Administrator shall determine the Special Tax Requirement and shall levy the Special Tax as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Assigned Special Tax for Developed Property.

Second: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first step has been applied, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Special Tax for Undeveloped Property.

Third: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first two steps have been completed, the levy of the Special Tax on each Assessor's parcel of Developed Property whose Backup Special Tax is greater than its Assigned Special Tax shall be

increased Proportionately from the Assigned Special Tax up to the amount of the Backup Special Tax.

Fourth: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Owner Association Property, using the Assigned Special Tax rates for Undeveloped Property.

Fifth: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Public Property, using the Assigned Special Tax rates for Undeveloped Property.

The special tax roll, which identifies the special tax to be levied against each parcel in CFD No. 98-3 in fiscal year 2020-21, is provided in Appendix B.

V. DEVELOPMENT UPDATE

As of January 1, 2020, a total of 388 parcels within CFD No. 98-3 have had a building permit issued for new construction. Based on the current status of development in CFD No. 98-3, the following table summarizes the allocation of parcels to the special tax categories established in the RMA:

**Community Facilities District No. 98-3
Allocation to Special Tax Categories
For Fiscal Year 2020-21**

Type of Property	Units or Acreage
Single Family Residential Property	388 Units
Multi-Family Residential Property	0 Units
Non-Residential Property	0.00 Acres

VI. PREPAYMENTS

CFD No. 98-3 allows property owners to payoff (i.e., prepay) their special tax obligation if they so choose. As of June 30, 2020, no property owner in CFD No. 98-3 has prepaid his/her special tax obligation.

VII. STATE REPORTING REQUIREMENTS

Senate Bill No. 165

On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency. Pursuant to the Sections 50075.3 and 53411, the “chief fiscal officer” of the public agency will, by January 1, 2002, and at least once a year thereafter, file a report with the City setting forth (i) the amount of special taxes that have been collected and expended; (ii) the status of any project required or authorized to be funded by the special taxes; (iii) if bonds have been issued, the amount of bonds that have been collected and expended; and (iv) if bonds have been issued, the status of any project required or authorized to be funded from bond proceeds.

Assembly Bill No. 1666

On July 25, 2016, Governor Jerry Brown signed Assembly Bill No. 1666, adding Section 53343.2 to the California Government Code (“GC”). The bill enhances the transparency of community facilities districts by requiring that certain reports be accessible on a local agency’s web site. Pursuant to Section 53343.2, a local agency that has a web site shall, within seven months after the last day of each fiscal year of the district, display prominently on its web site the following information:

Item (a): A copy of an annual report, if requested, pursuant to GC Section 53343.1. The report required by Section 53343.1 includes CFD budgetary information for the prior fiscal year and is only prepared by a community facilities district at the request of a person who resides in or owns property in the community facilities district. If the annual report has not been requested to be prepared, then a posting to the web site would not be necessary.

Item (b): A copy of the report provided to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to GC Section 53359.5. Under Section 53359.5, local agencies must provide CDIAC with the following: (i) notice of proposed sale of bonds; (ii) annual reports on the fiscal status of bonded districts; and (iii) notice of any failure to pay debt service on bonds, or of any draw on a reserve fund to pay debt service on bonds.

Item (c): A copy of the report provided to the State Controller’s Office pursuant to GC Section 12463.2. This section refers to the parcel tax portion of a local agency’s Financial Transactions Report that is prepared for the State Controller’s Office annually. Note that school districts are not subject to the reporting required by GC Section 12463.2.

Assembly Bill No. 1483

On October 9, 2019, Governor Gavin Newsom signed Assembly Bill No. 1483, adding Section 65940.1 to the California Government Code. The law requires that a city, county, or special district that has an internet website, maintain on its website a current schedule of fees, exactions, and affordability requirements imposed by the public agency on all housing development projects. Pursuant to Section 65940.1, the definition of an exaction includes a special tax levied pursuant to the Mello-Roos Community Facilities Act.

Assembly Bill No. 1483 defines a housing development project as consisting of (a) residential units only; or (b) mixed-use developments consisting of residential and non-residential land uses with at least two-thirds of the square footage designated for residential use; or (c) transitional housing or supportive housing. Assembly Bill No. 1483 also requires a city, county, or special district to update this information on their website within 30 days of any changes made to the information.

APPENDIX A

*Summary of Fiscal Year 2020-21
Special Tax Levy*

City of Tracy
Community Facilities District No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Land Use Category	Units or Acreage	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax	FY 2020-21 Total Special Tax Levy
<u>Developed Property</u>				
Single Family Property	388	\$900.00 per unit	\$894.18 per unit	\$346,941.84
Multi-Family Property	0	\$280.00 per unit	\$278.19 per unit	\$0.00
Non-Residential Property	0.00	\$2,690.00 per acre	\$2,672.62 per acre	\$0.00
<u>Undeveloped Property</u>				
Westgate	0.00	\$5,520.00 per acre	\$0.00 per acre	\$0.00
Huntington Park	0.00	\$9,130.00 per acre	\$0.00 per acre	\$0.00
<u>Owner Association Property</u>				
Westgate	0.00	\$5,520.00 per acre	\$0.00 per acre	\$0.00
Huntington Park	0.00	\$9,130.00 per acre	\$0.00 per acre	\$0.00
<u>Public Property</u>				
Westgate	0.00	\$5,520.00 per acre	\$0.00 per acre	\$0.00
Huntington Park	0.00	\$9,130.00 per acre	\$0.00 per acre	\$0.00
Total				\$346,941.84

APPENDIX B

*Fiscal Year 2020-21 Special Tax Levy
for Individual Assessor's Parcels*

City of Tracy
Community Facilities Distriict No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-350-010-000	Developed Property	\$900.00	\$894.18
238-350-020-000	Developed Property	\$900.00	\$894.18
238-350-030-000	Developed Property	\$900.00	\$894.18
238-350-040-000	Developed Property	\$900.00	\$894.18
238-350-050-000	Developed Property	\$900.00	\$894.18
238-350-060-000	Developed Property	\$900.00	\$894.18
238-350-070-000	Developed Property	\$900.00	\$894.18
238-350-080-000	Developed Property	\$900.00	\$894.18
238-350-090-000	Developed Property	\$900.00	\$894.18
238-350-100-000	Developed Property	\$900.00	\$894.18
238-350-110-000	Developed Property	\$900.00	\$894.18
238-350-120-000	Developed Property	\$900.00	\$894.18
238-350-130-000	Developed Property	\$900.00	\$894.18
238-350-140-000	Developed Property	\$900.00	\$894.18
238-350-150-000	Developed Property	\$900.00	\$894.18
238-350-160-000	Developed Property	\$900.00	\$894.18
238-350-170-000	Developed Property	\$900.00	\$894.18
238-350-180-000	Developed Property	\$900.00	\$894.18
238-350-190-000	Developed Property	\$900.00	\$894.18
238-350-200-000	Developed Property	\$900.00	\$894.18
238-350-210-000	Developed Property	\$900.00	\$894.18
238-350-220-000	Developed Property	\$900.00	\$894.18
238-350-230-000	Developed Property	\$900.00	\$894.18
238-350-240-000	Developed Property	\$900.00	\$894.18
238-350-250-000	Developed Property	\$900.00	\$894.18
238-350-260-000	Developed Property	\$900.00	\$894.18
238-350-270-000	Developed Property	\$900.00	\$894.18
238-350-280-000	Developed Property	\$900.00	\$894.18
238-350-290-000	Developed Property	\$900.00	\$894.18
238-350-300-000	Developed Property	\$900.00	\$894.18
238-350-310-000	Developed Property	\$900.00	\$894.18
238-350-320-000	Developed Property	\$900.00	\$894.18
238-350-330-000	Developed Property	\$900.00	\$894.18
238-350-340-000	Developed Property	\$900.00	\$894.18
238-350-350-000	Developed Property	\$900.00	\$894.18
238-350-360-000	Developed Property	\$900.00	\$894.18
238-350-370-000	Developed Property	\$900.00	\$894.18
238-350-380-000	Developed Property	\$900.00	\$894.18
238-350-390-000	Developed Property	\$900.00	\$894.18
238-350-400-000	Developed Property	\$900.00	\$894.18
238-360-010-000	Developed Property	\$900.00	\$894.18
238-360-020-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distirct No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-360-030-000	Developed Property	\$900.00	\$894.18
238-360-040-000	Developed Property	\$900.00	\$894.18
238-360-050-000	Developed Property	\$900.00	\$894.18
238-360-060-000	Developed Property	\$900.00	\$894.18
238-360-070-000	Developed Property	\$900.00	\$894.18
238-360-080-000	Developed Property	\$900.00	\$894.18
238-360-090-000	Developed Property	\$900.00	\$894.18
238-360-100-000	Developed Property	\$900.00	\$894.18
238-360-110-000	Developed Property	\$900.00	\$894.18
238-360-120-000	Developed Property	\$900.00	\$894.18
238-360-130-000	Developed Property	\$900.00	\$894.18
238-360-140-000	Developed Property	\$900.00	\$894.18
238-360-150-000	Developed Property	\$900.00	\$894.18
238-360-160-000	Developed Property	\$900.00	\$894.18
238-360-170-000	Developed Property	\$900.00	\$894.18
238-360-180-000	Developed Property	\$900.00	\$894.18
238-360-190-000	Developed Property	\$900.00	\$894.18
238-360-200-000	Developed Property	\$900.00	\$894.18
238-360-210-000	Developed Property	\$900.00	\$894.18
238-360-220-000	Developed Property	\$900.00	\$894.18
238-360-230-000	Developed Property	\$900.00	\$894.18
238-360-240-000	Developed Property	\$900.00	\$894.18
238-360-250-000	Developed Property	\$900.00	\$894.18
238-360-260-000	Developed Property	\$900.00	\$894.18
238-360-270-000	Developed Property	\$900.00	\$894.18
238-360-280-000	Developed Property	\$900.00	\$894.18
238-360-290-000	Developed Property	\$900.00	\$894.18
238-360-300-000	Developed Property	\$900.00	\$894.18
238-360-310-000	Developed Property	\$900.00	\$894.18
238-360-320-000	Developed Property	\$900.00	\$894.18
238-360-330-000	Developed Property	\$900.00	\$894.18
238-360-340-000	Developed Property	\$900.00	\$894.18
238-360-350-000	Developed Property	\$900.00	\$894.18
238-360-360-000	Developed Property	\$900.00	\$894.18
238-360-370-000	Developed Property	\$900.00	\$894.18
238-360-380-000	Developed Property	\$900.00	\$894.18
238-360-390-000	Developed Property	\$900.00	\$894.18
238-360-400-000	Developed Property	\$900.00	\$894.18
238-360-410-000	Developed Property	\$900.00	\$894.18
238-360-420-000	Developed Property	\$900.00	\$894.18
238-360-430-000	Developed Property	\$900.00	\$894.18
238-360-440-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distriict No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-360-450-000	Developed Property	\$900.00	\$894.18
238-360-460-000	Developed Property	\$900.00	\$894.18
238-360-470-000	Developed Property	\$900.00	\$894.18
238-360-480-000	Developed Property	\$900.00	\$894.18
238-360-490-000	Developed Property	\$900.00	\$894.18
238-360-500-000	Developed Property	\$900.00	\$894.18
238-360-510-000	Developed Property	\$900.00	\$894.18
238-360-520-000	Developed Property	\$900.00	\$894.18
238-360-530-000	Developed Property	\$900.00	\$894.18
238-360-540-000	Developed Property	\$900.00	\$894.18
238-360-550-000	Developed Property	\$900.00	\$894.18
238-360-560-000	Developed Property	\$900.00	\$894.18
238-360-570-000	Developed Property	\$900.00	\$894.18
238-360-580-000	Developed Property	\$900.00	\$894.18
238-360-590-000	Developed Property	\$900.00	\$894.18
238-360-600-000	Developed Property	\$900.00	\$894.18
238-360-610-000	Developed Property	\$900.00	\$894.18
238-360-620-000	Developed Property	\$900.00	\$894.18
238-360-630-000	Developed Property	\$900.00	\$894.18
238-360-640-000	Developed Property	\$900.00	\$894.18
238-360-650-000	Developed Property	\$900.00	\$894.18
238-360-660-000	Developed Property	\$900.00	\$894.18
238-360-670-000	Developed Property	\$900.00	\$894.18
238-360-680-000	Developed Property	\$900.00	\$894.18
238-360-690-000	Developed Property	\$900.00	\$894.18
238-360-700-000	Developed Property	\$900.00	\$894.18
238-360-710-000	Developed Property	\$900.00	\$894.18
238-360-720-000	Developed Property	\$900.00	\$894.18
238-360-730-000	Developed Property	\$900.00	\$894.18
238-360-740-000	Developed Property	\$900.00	\$894.18
238-360-750-000	Developed Property	\$900.00	\$894.18
238-360-760-000	Developed Property	\$900.00	\$894.18
238-360-770-000	Developed Property	\$900.00	\$894.18
238-360-780-000	Developed Property	\$900.00	\$894.18
238-360-790-000	Developed Property	\$900.00	\$894.18
238-360-800-000	Developed Property	\$900.00	\$894.18
238-370-010-000	Developed Property	\$900.00	\$894.18
238-370-020-000	Developed Property	\$900.00	\$894.18
238-370-030-000	Developed Property	\$900.00	\$894.18
238-370-040-000	Developed Property	\$900.00	\$894.18
238-370-050-000	Developed Property	\$900.00	\$894.18
238-370-060-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distirct No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-370-070-000	Developed Property	\$900.00	\$894.18
238-370-080-000	Developed Property	\$900.00	\$894.18
238-370-090-000	Developed Property	\$900.00	\$894.18
238-370-100-000	Developed Property	\$900.00	\$894.18
238-370-110-000	Developed Property	\$900.00	\$894.18
238-370-120-000	Developed Property	\$900.00	\$894.18
238-370-130-000	Developed Property	\$900.00	\$894.18
238-370-140-000	Developed Property	\$900.00	\$894.18
238-370-150-000	Developed Property	\$900.00	\$894.18
238-370-160-000	Developed Property	\$900.00	\$894.18
238-370-170-000	Developed Property	\$900.00	\$894.18
238-370-180-000	Developed Property	\$900.00	\$894.18
238-370-190-000	Developed Property	\$900.00	\$894.18
238-370-200-000	Developed Property	\$900.00	\$894.18
238-370-210-000	Developed Property	\$900.00	\$894.18
238-370-220-000	Developed Property	\$900.00	\$894.18
238-370-230-000	Developed Property	\$900.00	\$894.18
238-370-240-000	Developed Property	\$900.00	\$894.18
238-370-250-000	Developed Property	\$900.00	\$894.18
238-370-260-000	Developed Property	\$900.00	\$894.18
238-370-270-000	Developed Property	\$900.00	\$894.18
238-370-280-000	Developed Property	\$900.00	\$894.18
238-370-290-000	Developed Property	\$900.00	\$894.18
238-370-300-000	Developed Property	\$900.00	\$894.18
238-370-310-000	Developed Property	\$900.00	\$894.18
238-370-320-000	Developed Property	\$900.00	\$894.18
238-370-330-000	Developed Property	\$900.00	\$894.18
238-370-340-000	Developed Property	\$900.00	\$894.18
238-370-350-000	Developed Property	\$900.00	\$894.18
238-370-360-000	Developed Property	\$900.00	\$894.18
238-370-370-000	Developed Property	\$900.00	\$894.18
238-370-380-000	Developed Property	\$900.00	\$894.18
238-370-390-000	Developed Property	\$900.00	\$894.18
238-370-400-000	Developed Property	\$900.00	\$894.18
238-370-410-000	Developed Property	\$900.00	\$894.18
238-370-430-000	Developed Property	\$900.00	\$894.18
238-370-440-000	Developed Property	\$900.00	\$894.18
238-370-450-000	Developed Property	\$900.00	\$894.18
238-370-460-000	Developed Property	\$900.00	\$894.18
238-370-470-000	Developed Property	\$900.00	\$894.18
238-370-480-000	Developed Property	\$900.00	\$894.18
238-370-490-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distirct No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-370-500-000	Developed Property	\$900.00	\$894.18
238-370-510-000	Developed Property	\$900.00	\$894.18
238-370-520-000	Developed Property	\$900.00	\$894.18
238-370-530-000	Developed Property	\$900.00	\$894.18
238-370-540-000	Developed Property	\$900.00	\$894.18
238-370-550-000	Developed Property	\$900.00	\$894.18
238-370-560-000	Developed Property	\$900.00	\$894.18
238-370-570-000	Developed Property	\$900.00	\$894.18
238-370-580-000	Developed Property	\$900.00	\$894.18
238-370-590-000	Developed Property	\$900.00	\$894.18
238-370-600-000	Developed Property	\$900.00	\$894.18
238-370-610-000	Developed Property	\$900.00	\$894.18
238-370-620-000	Developed Property	\$900.00	\$894.18
238-370-630-000	Developed Property	\$900.00	\$894.18
238-370-640-000	Developed Property	\$900.00	\$894.18
238-370-650-000	Developed Property	\$900.00	\$894.18
238-370-660-000	Developed Property	\$900.00	\$894.18
238-370-670-000	Developed Property	\$900.00	\$894.18
238-370-680-000	Developed Property	\$900.00	\$894.18
238-370-690-000	Developed Property	\$900.00	\$894.18
238-370-700-000	Developed Property	\$900.00	\$894.18
238-370-710-000	Developed Property	\$900.00	\$894.18
238-370-720-000	Developed Property	\$900.00	\$894.18
238-370-730-000	Developed Property	\$900.00	\$894.18
238-370-740-000	Developed Property	\$900.00	\$894.18
238-370-750-000	Developed Property	\$900.00	\$894.18
238-370-760-000	Developed Property	\$900.00	\$894.18
238-370-770-000	Developed Property	\$900.00	\$894.18
238-370-780-000	Developed Property	\$900.00	\$894.18
238-370-790-000	Developed Property	\$900.00	\$894.18
238-370-800-000	Developed Property	\$900.00	\$894.18
238-380-010-000	Developed Property	\$900.00	\$894.18
238-380-020-000	Developed Property	\$900.00	\$894.18
238-380-030-000	Developed Property	\$900.00	\$894.18
238-380-040-000	Developed Property	\$900.00	\$894.18
238-380-050-000	Developed Property	\$900.00	\$894.18
238-380-060-000	Developed Property	\$900.00	\$894.18
238-380-070-000	Developed Property	\$900.00	\$894.18
238-380-080-000	Developed Property	\$900.00	\$894.18
238-380-090-000	Developed Property	\$900.00	\$894.18
238-380-100-000	Developed Property	\$900.00	\$894.18
238-380-110-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distirct No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-380-120-000	Developed Property	\$900.00	\$894.18
238-380-130-000	Developed Property	\$900.00	\$894.18
238-380-140-000	Developed Property	\$900.00	\$894.18
238-380-150-000	Developed Property	\$900.00	\$894.18
238-380-160-000	Developed Property	\$900.00	\$894.18
238-380-170-000	Developed Property	\$900.00	\$894.18
238-380-180-000	Developed Property	\$900.00	\$894.18
238-380-190-000	Developed Property	\$900.00	\$894.18
238-380-200-000	Developed Property	\$900.00	\$894.18
238-380-210-000	Developed Property	\$900.00	\$894.18
238-380-220-000	Developed Property	\$900.00	\$894.18
238-380-230-000	Developed Property	\$900.00	\$894.18
238-380-240-000	Developed Property	\$900.00	\$894.18
238-380-250-000	Developed Property	\$900.00	\$894.18
238-380-260-000	Developed Property	\$900.00	\$894.18
238-380-270-000	Developed Property	\$900.00	\$894.18
238-380-280-000	Developed Property	\$900.00	\$894.18
238-380-290-000	Developed Property	\$900.00	\$894.18
238-380-300-000	Developed Property	\$900.00	\$894.18
238-380-310-000	Developed Property	\$900.00	\$894.18
238-380-320-000	Developed Property	\$900.00	\$894.18
238-380-330-000	Developed Property	\$900.00	\$894.18
238-380-340-000	Developed Property	\$900.00	\$894.18
238-380-350-000	Developed Property	\$900.00	\$894.18
238-380-360-000	Developed Property	\$900.00	\$894.18
238-380-370-000	Developed Property	\$900.00	\$894.18
238-380-380-000	Developed Property	\$900.00	\$894.18
238-380-390-000	Developed Property	\$900.00	\$894.18
238-380-400-000	Developed Property	\$900.00	\$894.18
238-380-410-000	Developed Property	\$900.00	\$894.18
238-380-420-000	Developed Property	\$900.00	\$894.18
238-380-430-000	Developed Property	\$900.00	\$894.18
238-380-440-000	Developed Property	\$900.00	\$894.18
238-380-450-000	Developed Property	\$900.00	\$894.18
238-380-460-000	Developed Property	\$900.00	\$894.18
238-380-470-000	Developed Property	\$900.00	\$894.18
238-380-480-000	Developed Property	\$900.00	\$894.18
238-380-490-000	Developed Property	\$900.00	\$894.18
238-380-500-000	Developed Property	\$900.00	\$894.18
238-380-510-000	Developed Property	\$900.00	\$894.18
238-380-520-000	Developed Property	\$900.00	\$894.18
238-380-530-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distirct No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-380-540-000	Developed Property	\$900.00	\$894.18
238-380-550-000	Developed Property	\$900.00	\$894.18
238-380-560-000	Developed Property	\$900.00	\$894.18
238-380-570-000	Developed Property	\$900.00	\$894.18
238-380-580-000	Developed Property	\$900.00	\$894.18
238-380-590-000	Developed Property	\$900.00	\$894.18
238-380-600-000	Developed Property	\$900.00	\$894.18
238-380-610-000	Developed Property	\$900.00	\$894.18
238-380-620-000	Developed Property	\$900.00	\$894.18
238-380-630-000	Developed Property	\$900.00	\$894.18
238-380-640-000	Developed Property	\$900.00	\$894.18
238-380-650-000	Developed Property	\$900.00	\$894.18
238-380-660-000	Developed Property	\$900.00	\$894.18
238-380-670-000	Developed Property	\$900.00	\$894.18
238-380-680-000	Developed Property	\$900.00	\$894.18
238-380-690-000	Developed Property	\$900.00	\$894.18
238-380-700-000	Developed Property	\$900.00	\$894.18
238-380-710-000	Developed Property	\$900.00	\$894.18
238-470-010-000	Developed Property	\$900.00	\$894.18
238-470-020-000	Developed Property	\$900.00	\$894.18
238-470-030-000	Developed Property	\$900.00	\$894.18
238-470-040-000	Developed Property	\$900.00	\$894.18
238-470-050-000	Developed Property	\$900.00	\$894.18
238-470-060-000	Developed Property	\$900.00	\$894.18
238-470-070-000	Developed Property	\$900.00	\$894.18
238-470-080-000	Developed Property	\$900.00	\$894.18
238-470-090-000	Developed Property	\$900.00	\$894.18
238-470-100-000	Developed Property	\$900.00	\$894.18
238-470-110-000	Developed Property	\$900.00	\$894.18
238-470-120-000	Developed Property	\$900.00	\$894.18
238-470-130-000	Developed Property	\$900.00	\$894.18
238-470-140-000	Developed Property	\$900.00	\$894.18
238-470-150-000	Developed Property	\$900.00	\$894.18
238-470-160-000	Developed Property	\$900.00	\$894.18
238-470-170-000	Developed Property	\$900.00	\$894.18
238-470-180-000	Developed Property	\$900.00	\$894.18
238-470-190-000	Developed Property	\$900.00	\$894.18
238-470-200-000	Developed Property	\$900.00	\$894.18
238-470-210-000	Developed Property	\$900.00	\$894.18
238-470-220-000	Developed Property	\$900.00	\$894.18
238-470-230-000	Developed Property	\$900.00	\$894.18
238-470-240-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distirct No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-470-250-000	Developed Property	\$900.00	\$894.18
238-470-260-000	Developed Property	\$900.00	\$894.18
238-470-270-000	Developed Property	\$900.00	\$894.18
238-470-280-000	Developed Property	\$900.00	\$894.18
238-470-290-000	Developed Property	\$900.00	\$894.18
238-470-300-000	Developed Property	\$900.00	\$894.18
238-470-310-000	Developed Property	\$900.00	\$894.18
238-470-320-000	Developed Property	\$900.00	\$894.18
238-470-330-000	Developed Property	\$900.00	\$894.18
238-470-340-000	Developed Property	\$900.00	\$894.18
238-470-350-000	Developed Property	\$900.00	\$894.18
238-470-360-000	Developed Property	\$900.00	\$894.18
238-470-370-000	Developed Property	\$900.00	\$894.18
238-470-380-000	Developed Property	\$900.00	\$894.18
238-470-390-000	Developed Property	\$900.00	\$894.18
238-470-400-000	Developed Property	\$900.00	\$894.18
238-470-410-000	Developed Property	\$900.00	\$894.18
238-470-420-000	Developed Property	\$900.00	\$894.18
238-470-430-000	Developed Property	\$900.00	\$894.18
238-470-440-000	Developed Property	\$900.00	\$894.18
238-470-450-000	Developed Property	\$900.00	\$894.18
238-470-460-000	Developed Property	\$900.00	\$894.18
238-470-470-000	Developed Property	\$900.00	\$894.18
238-470-480-000	Developed Property	\$900.00	\$894.18
238-470-490-000	Developed Property	\$900.00	\$894.18
238-470-500-000	Developed Property	\$900.00	\$894.18
238-470-510-000	Developed Property	\$900.00	\$894.18
238-470-520-000	Developed Property	\$900.00	\$894.18
238-470-530-000	Developed Property	\$900.00	\$894.18
238-470-540-000	Developed Property	\$900.00	\$894.18
238-470-550-000	Developed Property	\$900.00	\$894.18
238-480-010-000	Developed Property	\$900.00	\$894.18
238-480-020-000	Developed Property	\$900.00	\$894.18
238-480-030-000	Developed Property	\$900.00	\$894.18
238-480-040-000	Developed Property	\$900.00	\$894.18
238-480-050-000	Developed Property	\$900.00	\$894.18
238-480-060-000	Developed Property	\$900.00	\$894.18
238-480-070-000	Developed Property	\$900.00	\$894.18
238-480-080-000	Developed Property	\$900.00	\$894.18
238-480-090-000	Developed Property	\$900.00	\$894.18
238-480-100-000	Developed Property	\$900.00	\$894.18
238-480-110-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distriict No. 98-3
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Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-480-120-000	Developed Property	\$900.00	\$894.18
238-480-130-000	Developed Property	\$900.00	\$894.18
238-480-140-000	Developed Property	\$900.00	\$894.18
238-480-150-000	Developed Property	\$900.00	\$894.18
238-480-160-000	Developed Property	\$900.00	\$894.18
238-480-170-000	Developed Property	\$900.00	\$894.18
238-480-180-000	Developed Property	\$900.00	\$894.18
238-480-190-000	Developed Property	\$900.00	\$894.18
238-480-200-000	Developed Property	\$900.00	\$894.18
238-480-210-000	Developed Property	\$900.00	\$894.18
238-480-220-000	Developed Property	\$900.00	\$894.18
238-480-230-000	Developed Property	\$900.00	\$894.18
238-480-240-000	Developed Property	\$900.00	\$894.18
238-480-250-000	Developed Property	\$900.00	\$894.18
238-480-260-000	Developed Property	\$900.00	\$894.18
238-480-270-000	Developed Property	\$900.00	\$894.18
238-480-280-000	Developed Property	\$900.00	\$894.18
238-480-290-000	Developed Property	\$900.00	\$894.18
238-480-300-000	Developed Property	\$900.00	\$894.18
238-480-310-000	Developed Property	\$900.00	\$894.18
238-480-320-000	Developed Property	\$900.00	\$894.18
238-480-330-000	Developed Property	\$900.00	\$894.18
238-480-340-000	Developed Property	\$900.00	\$894.18
238-480-350-000	Developed Property	\$900.00	\$894.18
238-480-360-000	Developed Property	\$900.00	\$894.18
238-480-370-000	Developed Property	\$900.00	\$894.18
238-480-380-000	Developed Property	\$900.00	\$894.18
238-480-390-000	Developed Property	\$900.00	\$894.18
238-480-400-000	Developed Property	\$900.00	\$894.18
238-480-410-000	Developed Property	\$900.00	\$894.18
238-480-420-000	Developed Property	\$900.00	\$894.18
238-480-430-000	Developed Property	\$900.00	\$894.18
238-480-440-000	Developed Property	\$900.00	\$894.18
238-480-450-000	Developed Property	\$900.00	\$894.18
238-480-460-000	Developed Property	\$900.00	\$894.18
238-480-470-000	Developed Property	\$900.00	\$894.18
238-480-480-000	Developed Property	\$900.00	\$894.18
238-480-490-000	Developed Property	\$900.00	\$894.18
238-480-500-000	Developed Property	\$900.00	\$894.18
238-480-510-000	Developed Property	\$900.00	\$894.18
238-480-520-000	Developed Property	\$900.00	\$894.18
238-480-530-000	Developed Property	\$900.00	\$894.18

City of Tracy
Community Facilities Distirct No. 98-3
(DA Properties)
Fiscal Year 2020-21 Special Tax Levy Summary

Assessor's Parcel Number	Development Status	FY 2020-21 Maximum Special Tax	FY 2020-21 Actual Special Tax
238-480-540-000	Developed Property	\$900.00	\$894.18
238-480-550-000	Developed Property	\$900.00	\$894.18
238-480-560-000	Developed Property	\$900.00	\$894.18
238-480-570-000	Developed Property	\$900.00	\$894.18
238-480-580-000	Developed Property	\$900.00	\$894.18
238-480-590-000	Developed Property	\$900.00	\$894.18
238-480-600-000	Developed Property	\$900.00	\$894.18
238-480-610-000	Developed Property	\$900.00	\$894.18
238-480-620-000	Developed Property	\$900.00	\$894.18
238-480-630-000	Developed Property	\$900.00	\$894.18
Total Special Tax Levy		\$349,200.00	\$346,941.84

Goodwin Consulting Group, Inc.

APPENDIX C

Rate and Method of Apportionment of Special Tax

**CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 98-3
(DA Properties)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A special tax applicable to each Assessor's Parcel in Community Facilities District No. 98-3 (DA Properties) (herein "CFD No. 98-3") shall be levied and collected according to the tax liability determined by the City Council of the City of Tracy, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 98-3, 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 an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, or other recorded County parcel map.

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

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

"APN" means an Assessor's Parcel number designated on the Fiscal Year 1997-98 San Joaquin County assessor's parcel map.

"Assessor's Parcel Map" means an official map of the County Assessor of the County of San Joaquin designating Parcels by APN.

"Assigned Special Tax" means that Special Tax assigned to Taxable Property as indicated in Table 1 and Table 2, as applicable, of Section C below.

"Backup Special Tax" means the amount of Special Tax that is calculated with respect to Developed Property in Section C.1.(b) below.

“Bonds” means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 98-3 under the Act.

“City” means the City of Tracy.

“City Manager” means the City Manager of the City of Tracy.

“Council” means the City Council of the City of Tracy, acting as the legislative body of CFD No. 98-3.

“Developed Property” means, in any Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to January 1 of the preceding Fiscal Year.

“Facilities” means the public improvements defined as Facilities in the Resolution of Intention.

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

“Land Use Class” means any of the three classes listed in Table 1 below; specifically, Single Family Residential Property, Multi-Family Residential Property, and Non-Residential Property.

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

“Multi-Family Residential Property” means, in any Fiscal Year, all Parcels for which a building permit has been issued for a residential structure consisting of five or more Residential Units that share common walls including, but not limited to, townhomes, condominiums, and apartment units.

“Non-Residential Property” means, in any Fiscal Year, all Parcels for which a building permit has been issued for a commercial, office, or industrial establishment or any other use which is not Single Family Residential or Multi-Family Residential Property and which is not exempt from Special Taxes pursuant to Section E below.

“Owner Association Property” means any property within the boundaries of CFD No. 98-3 owned by a homeowner association or property owner association, including any master or sub-association.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of CFD No. 98-3 that is owned by the federal government, State of California, or other local governments or public agencies.

“Residential Unit” means a single residential dwelling unit and shall include single family homes and individual condominium, townhome, duplex, triplex, and fourplex units, as well as individual apartment units in a multi-family building.

“Resolution of Intention” means the Resolution of Intention to Establish a Community Facilities District approved by the Council on July 7, 1998.

“Single Family Residential Property” means, in any Fiscal Year, all Parcels for which a building permit has been issued for a residential structure consisting of only one Residential Unit or consisting of two to four Residential Units that share common walls including, but not limited to, duplexes, triplexes, and fourplexes.

“Special Tax” means any special tax to be levied each Fiscal Year on Assessor's Parcels of Taxable Property to fund the Special Tax Requirement. The Special Tax shall be applied to pay for debt service on outstanding Bonds or directly for the Facilities, including appurtenant expenses such as design, engineering, inspection, and financing costs.

“Special Tax Requirement” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, (iv) to pay administrative expenses of the CFD, and (v) to pay construction expenses to be funded directly from Special Tax proceeds.

“Taxable Property” means all of the Assessor's Parcels within the boundaries of CFD No. 98-3 which are not exempt from the Special Tax pursuant to law or Section E below.

“Undeveloped Property” means all Taxable Property in CFD No. 98-3 not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, all Taxable Property within CFD No. 98-3 shall be classified as either Developed Property or Undeveloped Property and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below. For purposes of determining the applicable Special Tax pursuant to Section C, Developed Property shall be assigned to one of the Land Use Classes designated in Table 1. For Single Family Residential Property and Multi-Family Residential Property, the number of Residential Units shall be determined by referencing the condominium plan, apartment plan, site plan, or other development plan. Determination of the appropriate Land Use Class shall be at the sole discretion of the City.

APNs are identified in Table 2 and on the Fiscal Year 1997-98 San Joaquin County Assessor's Parcel Map. If any of the APNs become invalid in future Fiscal Years, or if the Parcels are subdivided and/or combined to form new APNs, the Special Taxes identified in Tables 1 and 2 shall continue to apply to all Land Use Classes and Undeveloped Property within CFD No. 98-3 based on the Fiscal Year 1997-98 APN that would have applied to that area. The City shall be required to maintain an annual record of APNs that will clearly identify the Fiscal Year 1997-98 APNs and all future activity related to those APNs, including a history of successor Parcels.

C. MAXIMUM SPECIAL TAX

1. Maximum Special Tax, Developed Property

The Maximum Special Tax for Developed Property in the CFD shall be the greater of either the Assigned Special Tax or the Backup Special Tax, as defined below, and as determined in accordance with Section D:

(a) Assigned Special Tax, Developed Property

The following Assigned Special Tax rates for Developed Property apply to all Parcels of Taxable Property within CFD No. 98-3 that are Developed Property in each Fiscal Year in which the Special Tax is collected:

<p style="text-align: center;"><i>TABLE 1</i> <i>ASSIGNED SPECIAL TAX FOR DEVELOPED PROPERTY</i> <i>(Fiscal Year 1998-99)</i></p>		
<i>Land Use Class</i>	<i>Description</i>	<i>Assigned Special Tax</i>
1	Single Family Residential Property	\$900 per Residential Unit
2	Multi-Family Residential Property	\$280 per Residential Unit
3	Non-Residential Property	\$2,690 per Acre

The Assigned Special Tax for each Assessor's Parcel of Developed Property shall remain constant for each Fiscal Year thereafter.

(b) Backup Special Tax, Developed Property

The Backup Special Tax shall be calculated on July 1 of each Fiscal Year and on the date of closing of each bond issue, and the most recently calculated Backup Special Tax shall be applied to an Assessor's Parcel at the time of building permit issuance. The Backup Special Tax shall be the lesser of

- (i) the applicable amount per acre of land area in an Assessor's Parcel as shown in Table 2, or
- (ii) the amount calculated pursuant to the following formula:

$$[(DS \times 1.1) + AE - AST] \div TA$$

The terms used in the formula above have the following meaning:

DS = Aggregate discounted greatest annual gross debt service for all outstanding Bonds (including those Bonds currently being issued, if any.) DS shall be computed by determining the greatest annual gross debt service for each bond issue, and discounting that amount from the Fiscal Year in which it occurs to the current Fiscal Year using a discount rate reflecting the actual rate of increase (if any) of the debt service on that bond issue. DS shall equal the sum of the discounted greatest annual gross debt service amounts calculated for each of the outstanding bond issues.

AE = Administrative Expenses for the current Fiscal Year.

AST = The total Assigned Special Taxes that will be levied on all Developed Property in the current Fiscal Year, plus the Assigned Special Taxes for the next Fiscal Year for all Assessor's Parcels of Undeveloped Property for which building permits have been issued.

TA = The then anticipated total Acreage of Developed Property at full buildout of CFD No. 98-3, excluding the total Acreage of Developed Property as of the current Fiscal Year and the total Acreage of Undeveloped Property for which building permits have been issued (the City Manager may request a certification as to the Acreage for purposes of this calculation from property owners involved in any projects proposed for or under development within CFD No. 98-3).

The Backup Special Tax shall be applied to the Acreage of each Assessor's Parcel of Developed Property, as required pursuant to Section D below. In cases where an Assessor's Parcel contains multiple land uses, the land area applicable to each of the land uses shall be computed from the Acreage of that Assessor's Parcel, with the Acreage for such Assessor's Parcel allocated among all of the land uses located on such Assessor's Parcel based on the building square footage of each land use.

The Backup Special Tax shall be applicable to an Assessor's Parcel starting in the Fiscal Year in which the Assessor's Parcel is first classified as Developed Property. Once the Backup Special Tax rate is first determined for an Assessor's Parcel, that Backup Special Tax shall remain constant thereafter, even though the recalculation of the Backup Special Tax for that Assessor's Parcel in future Fiscal Years results in a higher amount.

When the Backup Special Tax is recalculated each July 1 or upon the closing of each bond issue, the recalculated Backup Special Tax shall apply to all Assessor's Parcels that become Developed Property between the time of such recalculation and the next July 1 or bond closing, at which time the Backup Special Tax shall again be recalculated.

By basing the Backup Special Tax on the amount of outstanding bonded indebtedness rather than the full amount of authorized bonded indebtedness, the Backup Special Tax will be lower than the Assigned Special Tax for most Assessor's Parcels of Developed Property in the early phases of the project. In these instances, the Maximum Special Tax will be the Assigned Special Tax and this will be the amount disclosed to prospective property owners. However, establishing low Backup Special Taxes for early phases of the project could result in the downsizing of later bond issues. This would occur if the project were ultimately built in such a manner that it generated less Assigned Special Tax revenues than were originally planned to the point where the Assigned Special Taxes no longer supported the authorized amount of bonded indebtedness, and the Backup Special Taxes were also not large enough to support the authorized amount of bonded indebtedness.

2. Maximum Special Tax, Undeveloped Property

The Maximum Special Tax for Undeveloped Property shall be the Assigned Special Tax rates listed in Table 2 below and apply to all Parcels of Taxable Property within CFD No. 98-3 that are Undeveloped Property in each Fiscal Year in which the Special Tax is collected.

<p style="text-align: center;">TABLE 2 ASSIGNED SPECIAL TAX FOR UNDEVELOPED PROPERTY (Fiscal Year 1998-99)</p>					
<i>Assessor's Parcels</i>	<i>Development</i>	<i>Estimated Net Acreage*</i>	<i>Total ECUs</i>	<i>Average Density (ECUs per Acre)</i>	<i>Assigned Special Tax per Acre</i>
238-080-05 238-080-06	Westgate	48.0	268	5.58	\$5,520
238-080-10	Huntington Park	13.0	120	9.23	\$9,130

* Includes a gross-to-net reduction factor of 15%.

The Maximum Special Tax for each Assessor's Parcel of Undeveloped Property shall remain constant for each Fiscal Year thereafter.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 1998-99 and for each following Fiscal Year, the City Manager or his/her designee shall determine the Special Tax Requirement to be collected from Taxable Property in CFD No. 98-3 in the Fiscal Year. The Special Tax shall then be levied as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Assigned Special Tax for Developed Property, as determined by reference to Section C.1.(a) above;

Second: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first step has been applied, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Special Tax for Undeveloped Property, as determined by reference to Section C.2. above;

Third: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first two steps have been completed, the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Backup Special Tax is greater than its Assigned Special Tax shall be increased Proportionately from the Assigned Special Tax up to the amount of the Backup Special Tax, as determined by reference to Section C.1.(b) above;

Fourth: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Owner Association Property, using the Assigned Special Tax rates for Undeveloped Property, as determined by reference to Section C.2. above; and

Fifth: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Public Property, using the Assigned Special Tax rates for Undeveloped Property, as determined by reference to Section C.2. above.

E. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Mello-Roos Community Facilities Act of 1982. Also, no Special Taxes shall be levied on Owner Association Property unless it is necessary to satisfy the Special Tax Requirement pursuant to Section D above.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and the Facilities to be constructed directly from Special Tax proceeds have been completed, in any event not later than the year 2040.

The Special Tax levied against a Parcel of Developed Property in a given Fiscal Year cannot be increased, as a consequence of delinquency or default by owners of other Parcels within CFD No. 98-3, by more than 10% of the Special Tax levied in the prior Fiscal Year.

F. APPEALS AND INTERPRETATIONS

Any landowner, any non-exempt lessee or holder of a possessory interest in property otherwise exempt because it is Public Property, and any lessee on a triple net lease may file a written appeal of the calculation of the Special Tax on its property with the City Manager or his/her designee, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously 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 calculation of the Special Tax is in error. The City Manager or his/her designee shall review the appeal, meet with the appellant if the City Manager or his/her designee deems necessary, and advise the appellant of its determination. If the City Manager or his/her designee agrees with the appellant, the City Manager or his/her designee shall make a recommendation to the

Council to reduce the Special Tax on the appellant's property or to provide a refund to appellant. The approval of the Council or its designee must be obtained prior to any such reduction or refund. If the City Manager or his/her designee disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that appellant is current in his/her payments of the Special Taxes. The appeal to the City Council must specify the reasons for its disagreement with the City Manager or his/her designee's determination. The City Clerk shall schedule the appeal to be heard before the Council or an appeals board designated by the Council.

Interpretations may be made by the City Manager or his/her designee for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment. The appeal process shall be conducted in substantial conformance with Tracy Municipal Code Section 1.12.

G. MANNER OF COLLECTION

The Special Taxes will be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City Manager or his/her designee may directly bill the Special Taxes and may collect Special Taxes at a different time or in a different manner as set forth in the proceedings for the formation of the CFD No. 98-3.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"Remaining Facilities Costs" means the Public Facilities Requirements minus public facility costs funded by Outstanding Bonds, developer equity, and/or any other source of funding.

"Outstanding Bonds" means all Previously Issued Bonds which remain outstanding.

"Prepayment Date" means the first business day which is: (i) 30 days after the City's receipt of a complete signed and written notice of intent to prepay from the property owner; and (ii) 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

"Previously Issued Bonds" means all Bonds that have been issued by or on behalf of CFD No. 98-3 prior to the date of prepayment.

"Public Facilities Requirements" means either \$3,290,000 in 1998, which shall increase by four percent (4%) on January 1, 1999, and on each January 1 thereafter.

The Special Tax obligation applicable to each Assessor's Parcel in CFD No. 98-3 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay the Special Tax with respect to a specified Assessor's Parcel. The Prepayment Amount shall be calculated by the City as of the Prepayment Date. In the event that the property owner fails to pay the Prepayment Amount by no later than 75 days prior to the next succeeding redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes, the property owner shall not be entitled to prepay the Special Tax unless a subsequent written notice of intent to prepay is provided to the City by the property owner. After receipt of a subsequent written notice of intent to prepay, the City shall recalculate the Prepayment Amount pursuant to the requirements set forth herein. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount (Step 3)	
plus	Remaining Facilities Amount (Step 5)
plus	Redemption Premium (Step 6)
plus	Defeasance (Step 10)
plus	Administrative Fees and Expenses (Step 11)
less	<u>Reserve Fund Credit (Step 12)</u>
equals	Prepayment Amount (Step 13)

As of the Prepayment Date, the City shall calculate the Prepayment Amount by application of the following steps:

Step Number:

1. As of the Prepayment Date, compute the Maximum Special Tax that could be collected from the specified Assessor's Parcel in the Fiscal Year in which prepayment would be received by the City.

2. As of the Prepayment Date, divide the Maximum Special Tax computed pursuant to Step 1 for the specified Assessor's Parcel by the Maximum Special Taxes that can be collected within the entire CFD in the Fiscal Year of the Prepayment Date.
3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "*Bond Redemption Amount*").
4. Compute the current Remaining Facilities Costs (if any).
5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid. The amount calculated pursuant to this Step 5 shall be referred to as the "*Remaining Facilities Amount*."
6. Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed. The amount calculated pursuant to this Step 6 shall be referred to as the "*Redemption Premium*."
7. Compute the amount needed to pay interest on the Bond Redemption Amount from the last date on which interest was paid on the Outstanding Bonds until the earliest redemption date for the Outstanding Bonds.
8. Compute the amount of Special Taxes levied or paid with respect to the specified Assessor's Parcel during the current Fiscal Year and confirm that no Special Tax delinquencies apply to such Assessor's Parcel. The Assessor's Parcel shall receive a credit for any Special Taxes levied or paid which have not yet been utilized to pay the Special Tax Requirement, but no credit shall be given for Special Taxes that have already been paid and used to pay the Special Tax Requirement.
9. Compute the amount the City or its designee reasonably expects to derive from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the redemption date for the Outstanding Bonds that the City or its designee expects to redeem with the prepayment.
10. Take the amount computed pursuant to Step 7 and subtract the amounts computed pursuant to Steps 8 and 9. The amount calculated pursuant to this Step 10 shall be referred to as the "*Defeasance*."
11. The administrative fees and expenses of CFD No. 98-3 are as calculated by the City and include the costs of computing the prepayment, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "*Administrative Fees and Expenses*").

12. A reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "*Reserve Fund Credit*").
13. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 10, and 11, less the amount computed pursuant to Step 12. The amount calculated pursuant to this Step 13 shall be referred to as the "*Prepayment Amount*".

I. ANNEXATION CATCH-UP TAX

If property annexes into CFD No. 98-3 in any future Fiscal Year, such property shall be subject to a one-time "Annexation Catch-up Tax" that shall become due and payable immediately upon the effective date of annexation. The Annexation Catch-up Tax shall be calculated according to the following steps:

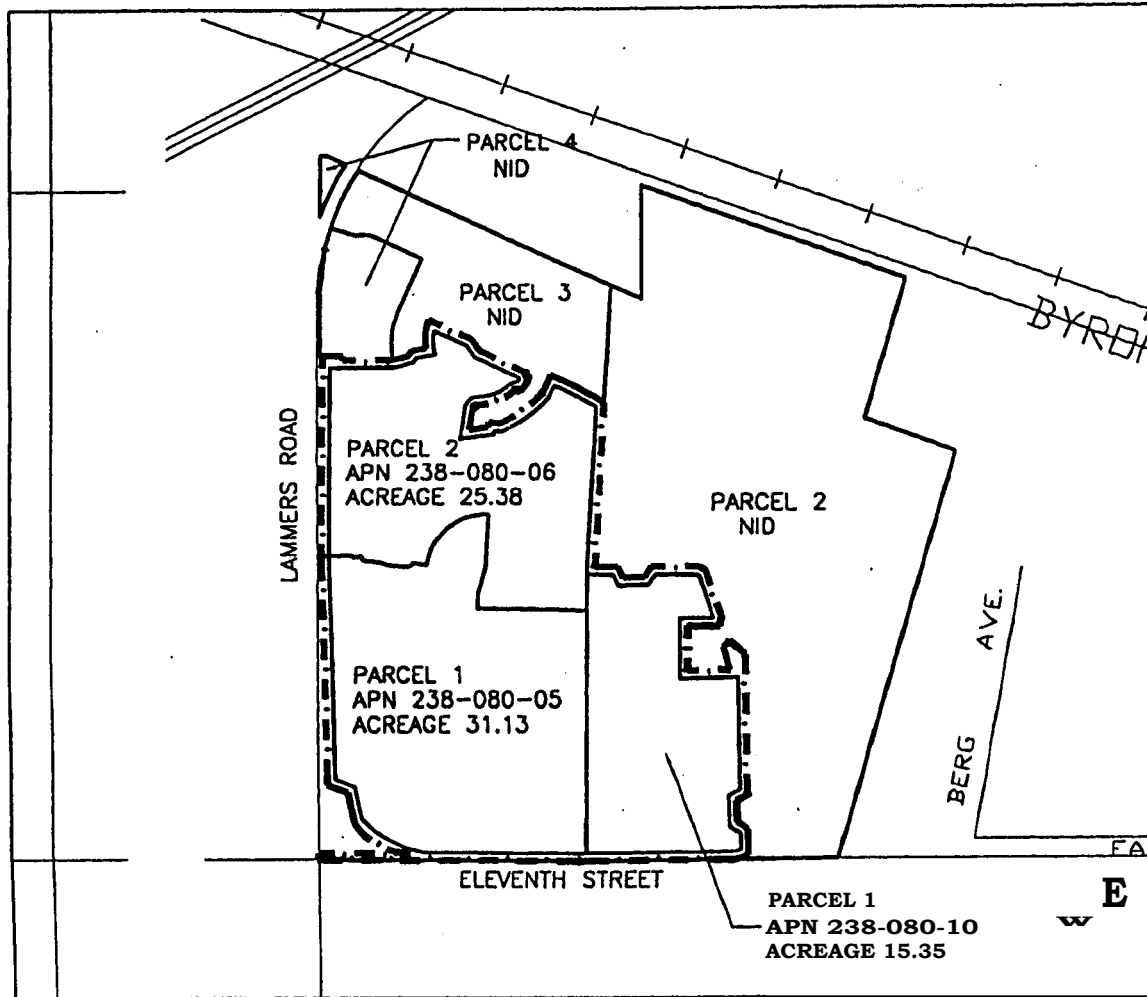
- (i) Missed Special Tax Payments - the amount of Special Tax that would have been levied each year on the property had the property been included in CFD No. 98-3 at the time that it was initially formed shall be identified. Such amounts shall be determined by evaluating the amounts that would have been levied in each prior Fiscal Year pursuant to Table 2 and Section D.
- (ii) Interest Carry - the amounts calculated in (i) above shall be increased each year at a rate equal to the average coupon rate for all outstanding Bonds from the first Fiscal Year in which Special Taxes were levied on behalf of CFD No. 98-3 through and including the Fiscal Year in which the Annexation Catch-up Tax is being calculated (unless the Annexation Parcel is to be included on the tax roll for the Fiscal Year in which the Annexation Catch-up Tax is being calculated).

APPENDIX D

*Boundary Map of
Community Facilities District No. 98-3*

PROPOSED BOUNDARIES OF CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 98-3
(PUN C PROPERTIES)
COUNTY OF SAN JOAQUIN
STATE OF CALIFORNIA

PREPARED BY HARRIS & ASSOCIATES
APRIL 1998



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Mom 1101 01 0211R.T

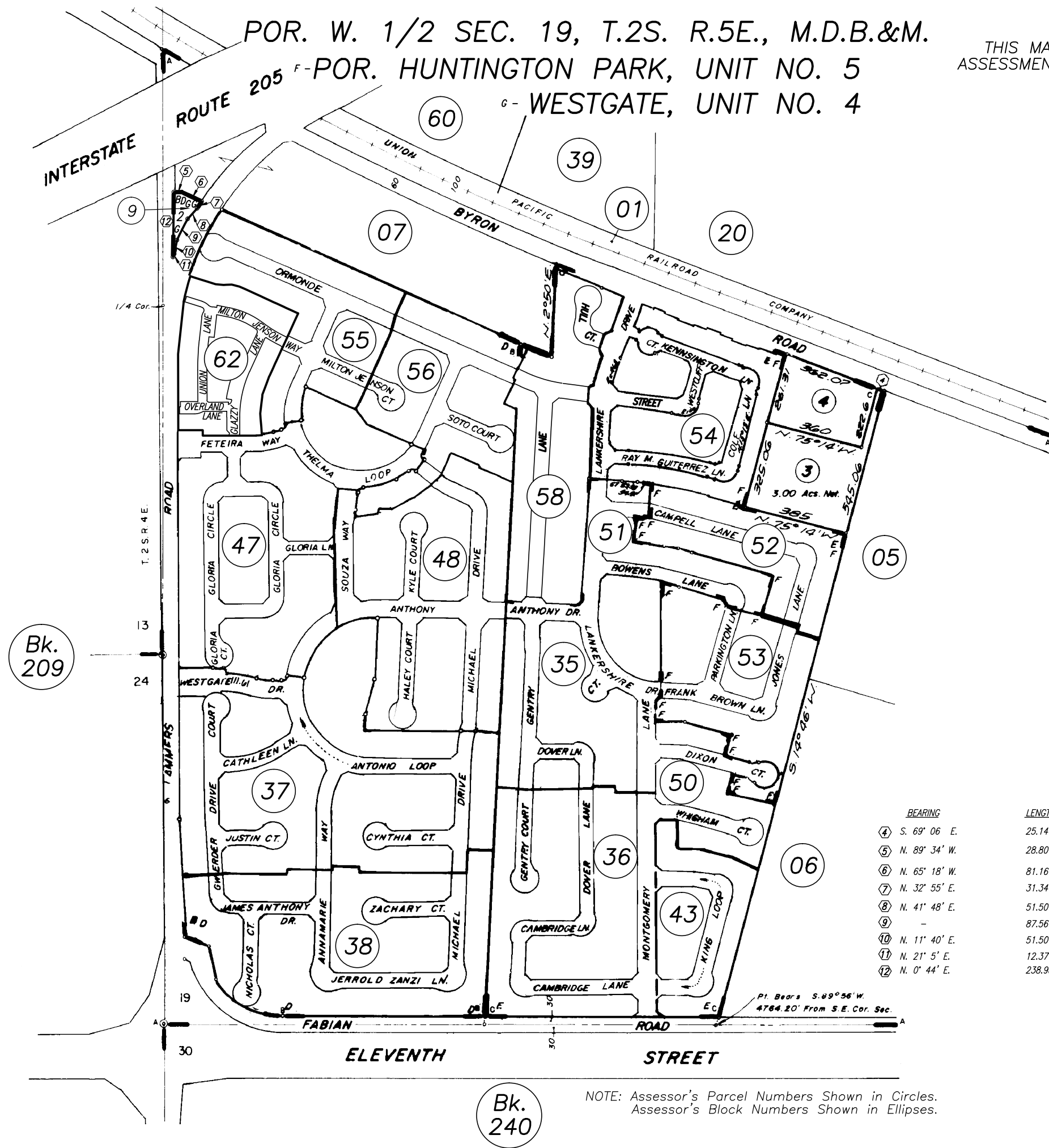
APPENDIX E

*Assessor's Parcel Maps for
Fiscal Year 2020-21*

POR. W. 1/2 SEC. 19, T.2S. R.5E., M.D.B.&M.

THIS MAP IS FOR
ASSESSMENT USE ONLY

238-08



- G - R. M. Bk. 40 Pg. 001
- F - R. M. Bk. 37 Pg. 056
- E - P. M. Bk. 21 Pg. 016
- D - P. M. Bk. 21 Pg. 013
- C - P. M. Bk. 04 Pg. 014
- B - R. S. Bk. 12 Pg. 137
- A - R. S. Bk. 06 Pg. 028

	BEARING	LENGTH	RADIUS
④	S. 69° 06' E.	25.14'	-
⑤	N. 89° 34' W.	28.80'	-
⑥	N. 65° 18' W.	81.16'	-
⑦	N. 32° 55' E.	31.34'	-
⑧	N. 41° 48' E.	51.50'	-
⑨	-	87.56'	1023.50'
⑩	N. 11° 40' E.	51.50'	-
⑪	N. 21° 5' E.	12.37'	-
⑫	N. 0° 44' E.	238.98'	-

HIGHEST A.P.N. USED			
YEAR	PAR. #	PAR. #	PAR. #

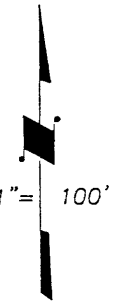
NOTE: Assessor's Parcel Numbers Shown in Circles.
Assessor's Block Numbers Shown in Ellipses.

CITY OF TRACY
Assessor's Map Bk.238 Pg.08
County of San Joaquin, Calif.

POR. WESTGATE, UNIT NO. 1

THIS MAP FOR ASSESSMENT USE ONLY

238-38



36

HIGHEST A.P.N. USED			
YEAR	PAR. #	PAR. #	PAR. #
1999	71		

Bk. 209

Bk. 240

R. M. Bk. 33 Pg. 090

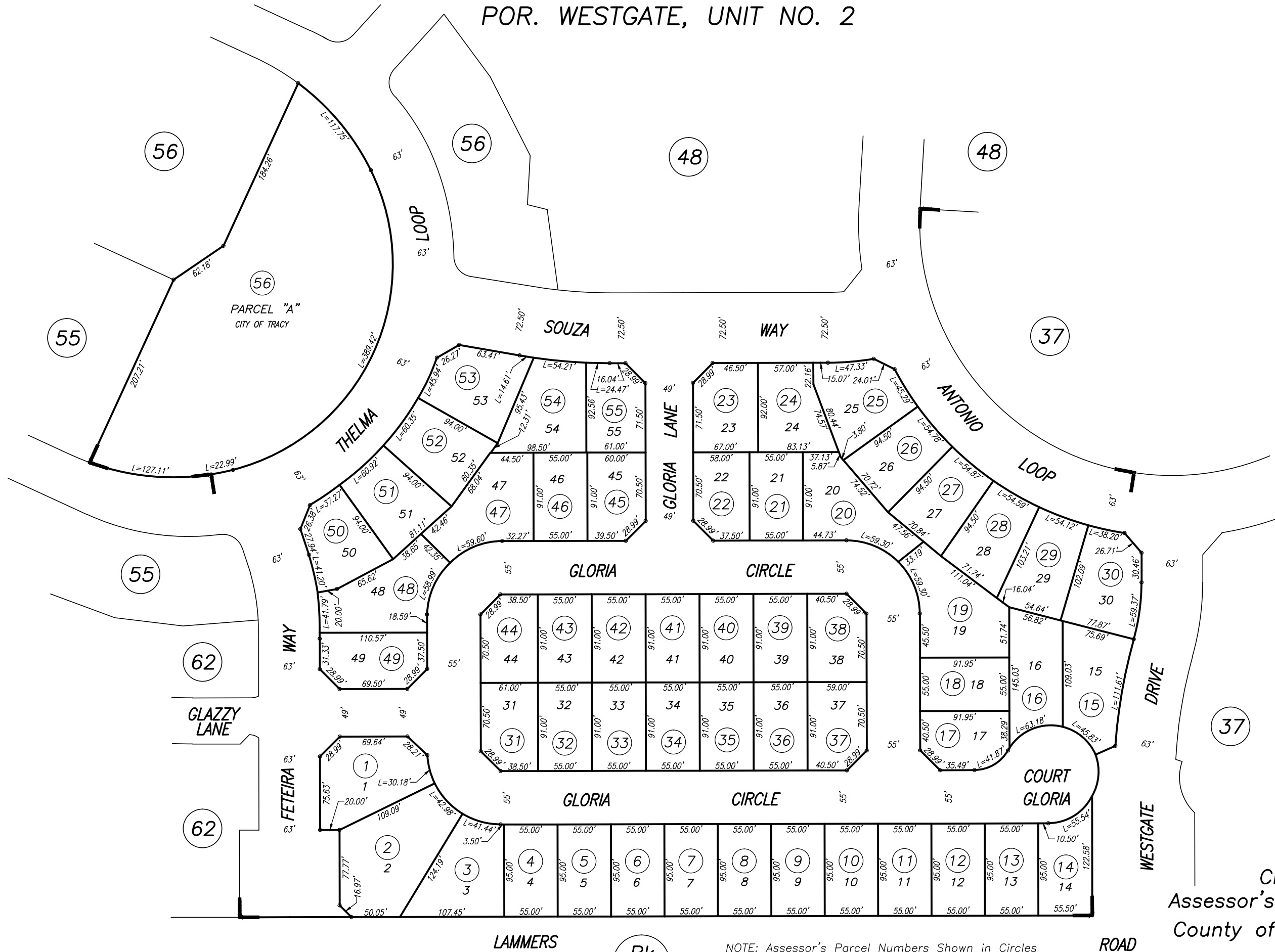
NOTE: Assessor's Parcel Numbers Shown in Circles
Assessor's Block Numbers Shown in Ellipses

CITY OF TRACY
Assessor's Map Bk. 238 Pg. 38
County of San Joaquin, Calif.

1999

POR. WESTGATE, UNIT NO. 2

238-47



HIGHEST A.P.N. USED			
YEAR	PAR. #	PAR. #	PAR. #
2001	56		

CITY OF TRACY
 Assessor's Map Bk.238 Pg. 47
 County of San Joaquin, Calif.

LAMMERS
 R. M. Bk.35 Pg.064
 Bk. 209

NOTE: Assessor's Parcel Numbers Shown in Circles
 Assessor's Block Numbers Shown in Ellipses

2001

POR. WESTGATE, UNIT NO. 2

THIS MAP FOR ASSESSMENT USE ONLY

238-48



HIGHEST A.P.N. USED		
YEAR	PAR. #	PAR. #
2001	63	

CITY OF TRACY
Assessor's Map Bk.208 Pg. 48
County of San Joaquin, Calif.

2001

R. M. Bk.35 Pg.064

NOTE: Assessor's Parcel Numbers Shown in Circles
Assessor's Block Numbers Shown in Ellipses