

CITY OF ALAMEDA RESOLUTION NO. _____

DECLARING INTENTION TO FORM CITY OF ALAMEDA COMMUNITY FACILITIES DISTRICT NO. 25-1 (WEST MIDWAY FACILITIES), AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN TO FINANCE PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT

WHEREAS, under the City of Alameda Special Tax Financing Improvement Code, Section 3-70.1 et seq. of the Alameda Municipal Code (the "Law") and the Mello-Roos Community Facilities Act of 1982, being Section 53311 et seq. of the California Government Code (the "Act"), the City Council of the City of Alameda (the "City Council") is authorized to establish a community facilities district and a future annexation area, and to act as the legislative body for such community facilities district; and

WHEREAS, the City Council intends to form a community facilities district under the provisions of the Law, as augmented by the Act in these proceedings and in the any future proceedings to issue special tax bonds for such district; and

WHEREAS, the Law provides that for purposes of financing of, or contributing to the financing of, all or a portion of facilities to be financed by the community facilities district, the legislative body may designate a portion or portions of the district as one or more improvement areas (each an "Improvement Area") and that after the designation of an Improvement Area, all proceedings for purposes of a bond election and for the purpose of levying special taxes for payment of the bonds shall apply only to such Improvement Area for those specified facilities; and

WHEREAS, the City Council desires to proceed with the establishment of a community facilities district and designation of an initial Improvement Area therein (herein, "Improvement Area No. 1"), and a future annexation area related thereto ("Future Annexation Area"), all in order to finance costs of infrastructure necessary or incidental to new development in the City.

NOW, THEREFORE, BE RESOLVED, as follows:

1. It is proposed to establish a community facilities district, to designate Improvement Area No. 1, and to identify future annexation area within the City under the terms of the Law to finance costs of infrastructure necessary or incidental to new development in the City, which may include the payment of development impact fees related thereto.

2. The name proposed for the community facilities district is the "City of Alameda Community Facilities District No. 25-1 (West Midway Facilities)" (the "CFD"). The name proposed for the initial improvement area of the CFD is "Improvement Area No. 1 of City of Alameda Community Facilities District No. 25-1 (West Midway Facilities)".

The name proposed for the Future Annexation Area is the "City of Alameda Community Facilities District No. 25-1 (West Midway Facilities) (Future Annexation Area)".

Pursuant to Section 3-70.85 of the Law, the territory to be initially included in the CFD (as shown on the map described in Section 3 hereof) is hereby designated to include Improvement Area No. 1. The initial boundary of the CFD is coterminous with the initial boundary of Improvement Area No. 1.

3. The proposed boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area are as shown on the map of them on file with the Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area in the office of the Alameda County Recorder within 15 days of the date of adoption of this Resolution. The City Council finds that the map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code.

Parcels within the Future Annexation Area may be annexed to the CFD with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed and all or any portions of territory that annex into the CFD from the Future Annexation Area or otherwise may be annexed into Improvement Area No. 1 or into a separate Improvement Area then in existence or to be designated at the time of such annexation (a "Future Improvement Area"), all without any requirement for additional public hearings, resolutions of the City Council or other additional proceedings.

In connection with establishing a Future Improvement Area, all proceedings for approval of an appropriations limit, the rate and method of apportionment and manner of collection of special taxes, and the authorization to incur bonded indebtedness may differ from Improvement Area No. 1 or any other Improvement Areas, all as set forth in the Unanimous Approval, and shall apply only to the parcel or parcels within such Future Improvement Area.

Likewise, all or any portions of territory that annex into the CFD from the Future Annexation Area or otherwise may be annexed into a separate zone of Improvement Area No. 1 or any Improvement Area then in existence or to be designated at the time of such annexation and no additional hearings or procedures are required and the rate and method of apportionment applicable to such zone may differ from other areas of the CFD as set forth in the Unanimous Approval and shall apply only to the parcel or parcels within such zone, all as provided in the Unanimous Approval.

4. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities (as defined below), and/or the principal and interest as it becomes due on bonds issued by the City for each Improvement Area within the CFD to construct and/or acquire the Facilities, a special tax (the "Special Tax") sufficient to pay the costs

thereof, secured by recordation of a continuing lien against all non-exempt real property in the applicable Improvement Area of the CFD, will be levied annually within each Improvement Area, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as the City Council or its designee shall determine, including direct billing of the affected property owners.

The proposed rate and method of apportionment of the Special Tax among the parcels of real property within Improvement Area No. 1 of the CFD, in sufficient detail to allow each landowner within Improvement Area No. 1 of the proposed CFD to estimate the maximum amount such owner will have to pay, are described in the Rate, Method of Apportionment and Manner of Collection of Special Tax attached hereto as Exhibit A and hereby incorporated herein (the "Rate and Method"). At such time as territory within the Future Annexation Area is annexed into the CFD pursuant to the Unanimous Approval, approval of a rate and method of apportionment for such territory may differ from that of other Improvement Areas as set forth in the Unanimous Approval, and shall provide sufficient detail to allow each landowner within the annexed territory to estimate the maximum amount such owner will have to pay.

The Special Tax shall not be levied in an Improvement Area after the fiscal year identified in the rate and method for such Improvement Area, except that the Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years.

For Future Improvement Areas, a different rate and method may be adopted than the Rate and Method adopted for Improvement Area No. 1 if the annexed territory is designated as a separate zone or improvement area. No supplements to the Rate and Method for any of the Future Improvement Areas and no new rate and method will cause the maximum tax rate in the then-existing territory of the CFD (including Improvement Area No. 1) to increase. The designation as an improvement area of any territory annexing to the CFD, the maximum amount of bonded indebtedness and other debt for such improvement area, the facilities to be financed, the rate and method of apportionment of special tax for such improvement area and the appropriations limit for such improvement area shall be identified and approved in the Unanimous Approval executed by the applicable property owner(s) in connection with each annexation to the CFD from the Future Annexation Area. The annexation and related matters described in the Unanimous Approval shall be implemented and completed without the need for City Council approval as long as the following conditions are met:

- (i) The rate and method of apportionment of special tax for the new improvement area is prepared by a special tax consultant retained by the City.
- (ii) The rate and method of apportionment of special tax for the new improvement area substantially complies with the City's local goals and policies concerning the use of the Law.

(iii) The rate and method of apportionment of special tax for the new improvement area includes a mechanism that protects against revenue loss as a result of land use changes.

(iv) The Special Tax proposed to pay for the Facilities to be supplied within the territory annexed will be equal to the Special Taxes levied to pay for the same Facilities in previously-existing areas of the CFD and Improvement Area No. 1, except that (a) a higher Special Tax may be levied on territory annexing into the CFD to pay for the same Facilities to compensate for the interest and principal previously paid from Special Taxes in the original area of the CFD and Improvement Area No. 1, less any depreciation allocable to the financed Facilities, and (b) a higher Special Tax may be levied on territory annexing into the CFD to pay for new or additional Facilities, with or without bond financing.

5. The type of facilities proposed to be financed in whole or in part by the CFD, Improvement Area No. 1 and any Future Improvement Areas and pursuant to the Law shall consist of those items listed on Exhibit B hereto (the "Facilities"). The Council hereby determines that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring within the CFD and the Future Annexation Area. The financing of the costs of Facilities may include, without limitation, the payment of principal of and interest on bonds together with all direct, indirect periodic, and/or other related costs (including, without limitation, costs of administering the CFD, levying the Special Tax and administering the bonds, and establishing and replenishing reserve funds). Land annexed into the CFD pursuant to a Unanimous Approval may specify additional facilities to be financed by the Special Taxes levied on such annexed land, as set forth in the Unanimous Consent, without additional proceedings, provided the conditions set forth in this Section with respect to the original Facilities are met.

This City Council hereby finds that the provisions of Section 3-70.7 of the Law (relating to school facilities financed by a community facilities district) are inapplicable to the proposed CFD.

6. Except as may otherwise be provided by law or by the Rate and Method, all lands owned by any public entity, including the United States, the State of California and the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, the City Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the applicable Improvement Area which is not exempt in order to yield the required debt service payments and other annual expenses of such Improvement Area, if any, subject to the provisions of the applicable Rate and Method. It is anticipated that the Special Tax will be billed as a separate line item on the regular property tax bill. However, the City Council reserves the right to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing.

7. The levy of the Special Tax shall be subject to the approval of the applicable qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in Improvement Area No. 1, with each owner having one vote for each acre or portion of an acre such owner owns in Improvement Area No. 1. The levy of the special tax on parcels within the Future Annexation Area and annexed to the CFD shall be subject to the approval of the qualified elector by execution of the Unanimous Approval, and a special tax shall be levied in the Future Annexation Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed to the CFD, without any requirement for further public hearings or additional proceedings.

8. It is the intention of the City Council, acting as the legislative body for the CFD, to cause bonds of the City to be issued for each Improvement Area pursuant to the Law to finance in whole or in part the construction and/or acquisition of Facilities. The bonds issued in these proceedings shall be callable in accordance with the provisions of the Law, and shall be issued in such series and bear interest payable semi-annually or in such other manner as the City Council shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds, shall mature not to exceed 50 years from the date of the issuance thereof and shall be as more specifically set forth in any resolution authorizing the issuance of such bonds.

9. The City Finance Director, as the officer having charge and control of the Facilities in and for the CFD, or the designee of such official, is hereby directed to cause and direct a study of said proposed CFD and the Facilities, and to cause to be prepared for filing at the public hearing the report required by Section 3-70.26 of the Law (the "CFD Report") presenting at least the following:

(a) A brief description of the Facilities proposed to be financed by type.

(b) An estimate of the cost of providing the Facilities, including the costs of the proposed bond financing, the City's administration of the CFD and incidental expenses as provided in Section 3-70.26 of the Law.

The CFD Report shall be made a part of the record of the public hearing specified below.

10. Pursuant to Section 3-70.9 of the Law, at any time either before or after the formation of the CFD, the legislative body may accept advances of funds or work in kind from any source, including, but not limited to, private persons or entities, and may provide, for the use of those funds or that work in kind for any authorized purpose, under all of the following conditions: (a) the proposal to repay the funds or the value or cost of the work in kind, whichever is less, is included in both this Resolution and in the resolution of formation of the district; (b) any proposed Special Taxes are approved by the qualified electors of the CFD pursuant to the Law; and (c) any work in kind accepted pursuant to

Section 3-70.9 of the Law is performed or constructed as if the work had been performed or constructed pursuant to plans approved by the City, and the work-in-kind shall be inspected by the City and found to be in compliance with applicable City building codes and standards. This Council finds that the City may accept advances of funds or work in kind if necessary, and may enter into an agreement (an "Acquisition Agreement"), with the person or entity advancing the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by the City Council, with or without interest, under the conditions specified in the Law and the Acquisition Agreement. The City and the developer of the project intend to enter into an Acquisition Agreement.

11. The City Council hereby sets Tuesday, October 7, 2025, at 7:00 p.m., at the City of Alameda City Hall Council Chambers located at 2263 Santa Clara Avenue, Alameda, California 94501, as the time and place when and where the City Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and the designation of Improvement Area No. 1 and the Future Annexation Area, and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD, the designation of Improvement Area No. 1 and the Future Annexation Area, and the levy of the Special Tax. At the hearing, testimony concerning the CFD, the designation of Improvement Area No. 1, the extent of the CFD and the Future Annexation Area, or the furnishing of the particular types of facilities will be heard and protests will be considered from registered voters residing within the CFD and persons owning real property within the CFD. Written protests by the owners of a majority of the land which would be subject to special taxation within the proposed CFD will require the suspension of proceedings for at least one year. Written protests must be filed with the City Clerk at or before the time fixed for the hearing. If such protests are directed only against certain elements of the proposed improvements or proposed special tax, and if such protests constitute a majority protest, only those elements shall be deleted from the proceedings.

12. The City Clerk is hereby directed to cause notice of the public hearing, attached hereto as Exhibit C, to be given by one-time publication in a newspaper published in the area of the CFD and the Future Annexation Area. The publication shall be completed at least 7 days before the date of the public hearing referenced above. The notice shall be substantially in the form specified in Section 3-70.27 of the Law and attached hereto, with the form summarizing the provisions hereof hereby specifically approved.

13. This Resolution shall take effect from and after its adoption.

EXHIBIT A

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
FOR CITY OF ALAMEDA
COMMUNITY FACILITIES DISTRICT NO. 25-1
(WEST MIDWAY FACILITIES)
IMPROVEMENT AREA NO. 1**

A Special Tax, as hereinafter defined, shall be levied and collected within Improvement Area No. 1 of the City of Alameda Community Facilities District No. 25-1 (West Midway Facilities) each Fiscal Year commencing in Fiscal Year 2025/26, in an amount determined by the application of the procedures below. All Taxable Property within Improvement Area No. 1, as hereinafter defined, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided. To the extent additional property annexes to Improvement Area No. 1 in the future, this Rate and Method of Apportionment shall be supplemented to reflect the Special Taxes applicable thereto.

A. DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or **“ADU”** means all Assessor’s Parcels of Residential Property for which a building permit(s) has been issued for an “Accessory Dwelling Unit” as defined in California Government Code Section 65852.2(j)(1), as may be amended from time to time, that is accessory to a primary Dwelling Unit.

“Acre” or **“Acreage”** means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map. In the event that the Assessor’s Parcel Map shows no acreage, the Acreage for any Assessor’s Parcel may be determined by the CFD Administrator based upon, in the CFD Administrator’s discretion, the applicable condominium plan, final map, parcel map, Assessor’s Data or by using available spatial data and GIS.

“Act” means the City's Special Tax Financing Improvement Code, Section 3-70.1 *et seq.* of the City Municipal Code.

“Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of Improvement Area No. 1 including, but not limited to, the following: the costs of any paying agents/fiscal agents/trustees related to Improvement Area No. 1 Bond payments (including the fees and expenses of related counsel); the costs of computing the Annual Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor’s Office, County Tax Collector’s Office or County Treasurer’s Office; the costs of the City or designee in complying with the disclosure requirements associated with applicable federal and state securities laws, or otherwise related to Improvement Area No. 1 or Improvement Area No. 1 Bonds; the City’s annual administration fees and third party expenses; costs of responding to public inquiries regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Tax or interpretation of this Rate and Method of Apportionment of Special Taxes;

amounts needed to pay any required arbitrage rebate to the federal government related to Improvement Area No. 1 Bonds; the costs associated with the release of funds from any escrow account; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in Improvement Area No. 1. Administrative Expenses shall also include amounts estimated or advanced by the City or Improvement Area No. 1 for any other administrative purposes of Improvement Area No. 1.

“Affordable Four-Story Townhome Property” means all Assessor’s Parcels of Developed Property designated as *4 Story Condos* on Attachment A to this RMA that qualify as MIBMR Property.

“Affordable Workforce Property” means all Assessor’s Parcels of Developed Property designated as *3 Story Condos* on Attachment A to this RMA that qualify as MIBMR Property.

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

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

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

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

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

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

“Authorized Facilities” means the public facilities and fees authorized to be financed, in whole or in part, by CFD No. 25-1, including, but not limited to, Improvement Area No. 1 Bonds or Special Tax revenue dedicated to Pay-As-You-Go Expenditures for Improvement Area No. 1.

“Backup Special Tax” means the Backup Special Tax applicable to each Assessor’s Parcel of Developed Property, as determined in accordance with the applicable subsection of Section C below.

“Boundary Map” means the map titled “Proposed Boundaries of City of Alameda Community Facilities District No. 25-1 (West Midway Facilities) Improvement Area No. 1 and Future Annexation Area” recorded with the recorder of the County on _____.

“Building Permit” means a permit issued by the City for new construction of a residential or non-residential building on an Assessor’s Parcel.

“Building Square Feet” or **“BSF”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Building Square Feet shall be made by reference to the building permit(s) issued for such residential Dwelling Unit. In the event that the building permit does not show Building Square Feet, other records of the City or Assessor’s Data shall be used as determined by the CFD Administrator.

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

“CFD No. 25-1” means City of Alameda Community Facilities District No. 25-1 (West Midway Facilities), established by the City Council pursuant to the Act.

“City” means the City of Alameda, California.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 25-1.

“County” means the County of Alameda, California.

“Debt Service” means for each Debt Year, the total amount of principal and interest due on any Outstanding Improvement Area No. 1 Bonds.

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

“Developed Property” means, in any Fiscal Year, all Taxable Property in Improvement Area No. 1 for which a Building Permit for new construction was issued by the City prior to May 1 of the preceding Fiscal Year.

“Development Class” means, individually, Developed Property, Final Map Property, Taxable Property Owners Association Property and Taxable Public Property.

“Duet Property” means all Assessor’s Parcels of Developed Property designated as *3 Story Duets* on Attachment A to this RMA.

“Dwelling Unit” means an individual single family detached residential unit or an individual residential unit within a duet, duplex, triplex, fourplex, townhome or condominium structure. The number of Dwelling Units assigned to each Assessor’s Parcel may be determined by (i) referencing Assessor’s Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator. An Accessory Dwelling Unit shall not be considered a Dwelling Unit for the purposes of the Special Tax.

“Exempt Property” means all property located within the boundaries of Improvement Area No. 1 which is exempt from the Special Tax pursuant to the Act or Section E below.

“Final Map Property” means, in any Fiscal Year, all Residential Lots created within a Final Subdivision Map which has recorded prior to June 30 of the preceding Fiscal Year.

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

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

“Four-Story Townhome Property” means all Assessor’s Parcels of Developed Property designated as *Four-Story Condos Property* on Attachment A to this RMA.

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

“Improvement Area No. 1” means Improvement Area No. 1 of CFD No. 25-1.

“Improvement Area No. 1 Bonds” means bonds or other Debt (as defined in section 53317 of the Act), whether in one or more series, issued or assumed by or on behalf of the City for Improvement Area No. 1 under the Act, and secured by pledge of the Special Taxes.

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

“Land Use Class” means any of the classes listed in Table 1 in Section C herein.

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

“Moderate Income Below Market Rate Property” or **“MIBMR Property”** means all Assessor’s Parcels of Residential Property that were privately developed and privately owned or rented but where ownership or rentals are restricted to persons or families meeting the qualifying income standards for moderate income households as defined by California Health and Safety Code Sections 50093, or any successor statute thereto. Residential Properties that qualify shall be designated as MIBMR Property in the chronological order in which the Building Permits for such properties are issued. If the total number of Dwelling Units on Residential Property that would

otherwise qualify as MIBMR Property exceeds 44, then the Residential Properties exceeding such total shall not be considered MIBMR Property for purposes of levying the Special Tax and shall be assigned to a the appropriate Land Use Class based on the location for such Residential Property by referencing Attachment A to this RMA.

“Non-Residential Property” means, in any Fiscal Year all Assessor’s Parcels of Developed Property for which a building permit(s) was issued for a structure intended for non-residential use.

“Open Space Property” means property within the boundaries of Improvement Area No. 1 which (i) has been designated with specific boundaries and Acreage on a final subdivision map as open space, (ii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iii) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

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

“Pay-As-You-Go Expenditure” means Special Tax revenue, which is used or set aside for Authorized Facilities, including for Authorized Facilities to be constructed or acquired by Improvement Area No. 1. Pay-As-You-Go Expenditures shall be included in the Special Tax Requirement until the earlier of (A) the date that Special Taxes have been levied on Developed Property for 10 years in Improvement Area No. 1 and (B) the date that all of the Authorized Facilities for the Project have been financed. Special Taxes for Pay-As-You-Go Expenditures may only be levied against Developed Property.

“Property Owner’s Association” or **“POA”** means any duly constituted property owner’s association. As used in this definition, a Property Owner’s Association includes any homeowner’s association, condominium owner’s association, master or sub-association or non-residential owner’s association.

“Property Owner’s Association Property” means any property within the boundaries of Improvement Area No. 1 which is (a) owned by a Property Owner’s Association or (b) designated with specific boundaries and acreage on a final subdivision map as Property Owner Association Property.

“Proportionately” means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels assigned to such Development Class.

“Public Property” means any property within the boundaries of Improvement Area No. 1 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other governmental agency.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment of Special Taxes for Improvement Area No. 1.

“Residential Lot” means, an individual residential lot within a recorded Final Subdivision Map on which a Building Permit has been or is permitted to be issued for construction of one or more Dwelling Units.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential Dwelling Units.

“Special Tax(es)” means the special tax or special taxes to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within Improvement Area No. 1 to fund the Annual Special Tax Requirement.

“State” means the State of California.

“Taxable Property” means all the Assessor’s Parcels within the boundaries of Improvement Area No. 1 that are not exempt from the Special Tax pursuant to law or Section E below.

“Taxable Property Owner Association Property” means all Assessors Parcels of Property Owner Association Property that are not exempt pursuant to Section E herein.

“Taxable Public Property” means all Assessor’s Parcels of Public Property within the boundaries of Improvement Area No. 1 that were privately-owned and subject to the Special Tax prior to a public agency acquiring such Assessor’s Parcel and that are not exempt pursuant to the Act or Section E herein.

“Three-Story Interlocking Property” means all Assessor’s Parcels of Developed Property designated as *3 Story Townhomes – B* on Attachment A to this RMA.

“Three-Story Townhome Property” means all Assessor’s Parcels of Developed Property designated as *3 Story Townhomes – A* on Attachment A to this RMA.

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

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

“Welfare Exempt Property” means, in any Fiscal Year, all Parcels within the boundaries of Improvement Area No. 1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Improvement Area No. 1 Bonds, as applicable, any Assessor’s Parcels that received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

“Workforce Property – Market Rate” means all Assessor’s Parcels of Developed Property

designated as 3 Story Condos on Attachment A to this RMA.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, the CFD Administrator shall determine the Assessor’s Parcel Numbers for all Taxable Property within Improvement Area No. 1 for the then-current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Maximum Special Tax shall be assigned to the new Assessor’s Parcels Numbers pursuant to Section C. The CFD Administrator shall also determine: (i) the appropriate Development Class for each Parcel of Taxable Property; (ii) the number of Dwelling Units or Acreage each Parcel contains; (iii) the Land Use Class of each Parcel; and (iv) the Annual Special Tax Requirement for the Fiscal Year.

C. MAXIMUM SPECIAL TAX RATES

1. Developed Property

The Maximum Special Tax for each Assessor’s Parcel of Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

a. Assigned Special Tax

The Assigned Special Tax for each Assessor’s Parcel of Developed Property is shown in Table 1.

**TABLE 1
ASSIGNED SPECIAL TAX FOR DEVELOPED PROPERTY
IMPROVEMENT AREA NO. 1
FISCAL YEAR 2025/26**

Land Use Class	Description	Assigned Special Tax	Per
1	Affordable Workforce Property	\$0	Dwelling Unit
2	Affordable Four-Story Townhome Property	\$0	Dwelling Unit
3	Duet Property	\$3,800	Dwelling Unit
4	Four-Story Townhome Property < 2,000 BSF	\$1,300	Dwelling Unit
5	Four-Story Townhome Property > 2,000 BSF	\$2,400	Dwelling Unit
6	Three-Story Interlocking Property	\$2,050	Dwelling Unit
7	Three-Story Townhome Property	\$2,900	Dwelling Unit
8	Workforce Property – Market Rate < 1,200 BSF	\$975	Dwelling Unit

9	Workforce Property – Market Rate > 1,200 BSF	\$1,550	Dwelling Unit
10	Non-Residential Property	\$0.00	Acre

b. Backup Special Tax

The Fiscal Year 2025/26 aggregate Backup Special Tax attributable to Developed Property will equal the Maximum Special Tax as determined in Section 2.b., below, when such property became Final Map Property.

c. Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2026, through July 1, 2064, the Assigned Special Tax and the Backup Special Tax for Developed Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

2. Final Map Property

The Maximum Special Tax for each Assessor’s Parcel of Final Map Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

a. Assigned Special Tax

The Assigned Special Tax for each Assessor’s Parcel of Final Map Property shall be \$2,660 per Residential Lot in Fiscal Year 2025/26.

b. Backup Special Tax

The Fiscal Year 2025/26 aggregate Backup Special Tax attributable to property within a Final Subdivision Map will equal \$70,065 per Acre multiplied by the Acreage of all Taxable Property located within such Final Subdivision Map, excluding Acreage associated with current or expected Taxable Public Property and Taxable Property Owner Association Property.

The Backup Special Tax for each Assessor's Parcel of Residential Property in a Final Subdivision Map shall be computed by dividing the aggregate Backup Special Tax attributable to all Assessor's Parcels of Taxable Property for which building permits for residential construction have or may be issued, as determined in the preceding paragraph, by the number of such Assessor's Parcels (i.e., the number of Residential Lots).

Notwithstanding the foregoing, if all or any portion of a Final Subdivision Map is subsequently changed or modified, then the Backup Special Tax for each Assessor's Parcel of Residential Property in such Final Subdivision Map, or the portion thereof that is changed or modified, shall be a rate per Acre calculated as follows:

1. Determine the total Backup Special Taxes anticipated to apply to the changed or modified portion of the Final Subdivision Map prior to the change or modification.
2. Divide the amount determined pursuant to paragraph 1 above by the total Acreage of Residential Property excluding Taxable Public Property and Taxable Property Owner Association Property which is ultimately expected to exist in such changed or modified Final Subdivision Map area, as reasonably determined by the CFD Administrator.

The result is the Backup Special Tax per Acre which shall be applicable to all Assessor's Parcels of Residential Property in such changed or modified Final Subdivision Map.

c. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2026, through July 1, 2064, the Maximum Special Tax for Final Map Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

3. Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

a. Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$70,065 per Acre in Fiscal Year 2025/26.

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2026, through July 1, 2064, the Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, and

Taxable Public Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

Commencing with Fiscal Year 2025/26 and for each following Fiscal Year, the CFD Administrator shall determine the Annual Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied on each Assessor's Parcel of Developed Property at 100% of the applicable Assigned Special Tax until the earlier of (A) the date that Special Taxes have been levied for 10 years on Developed Property in Improvement Area No. 1 and (B) the date that all of the Authorized Facilities for the Project have been financed, after which the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at a rate up to 100% of the applicable Assigned Special Tax to the extent needed to satisfy the Annual Special Tax Requirement.

Second: If additional monies are needed to satisfy the Annual Special Tax Requirement, excluding any amount for Pay-As-You-Go Expenditures, after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Map Property at a rate up to 100% of the Maximum Special Tax for Final Map Property to the extent needed to satisfy the Annual Special Tax Requirement.

Third: If additional monies are needed to satisfy the Annual Special Tax Requirement, excluding any amount for Pay-As-You-Go Expenditures, after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at a rate up to 100% of the Maximum Special Tax for Undeveloped Property to the extent needed to satisfy the Annual Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Annual Special Tax Requirement, excluding any amount for Pay-As-You-Go Expenditures, after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the applicable Assigned Special Tax up to 100% of the Maximum Special Tax for each such Assessor's Parcel to satisfy the Annual Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Annual Special Tax Requirement, excluding any amount for Pay-As-You-Go Expenditures, after the first four steps have been completed, the Special Tax shall be levied on each Assessor's Parcel of Taxable Property Owner Association Property at a rate up to 100% of the Maximum Special Tax for Taxable Property Owner Association Property to the extent needed to satisfy the Annual Special Tax Requirement.

Sixth: If additional monies are needed to satisfy the Annual Special Tax Requirement, excluding any amount for Pay-As-You-Go Expenditures, after the first five steps have been completed, then the Special Tax shall be levied Proportionately on all Taxable Public Property at a rate up to 100% of the Maximum Special Tax for Taxable Public Property to the extent needed to satisfy the Annual

Special Tax Requirement.

E. EXEMPTIONS

- 1.No Special Tax shall be levied on up to 2.46 Acres of Property Owner Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property.
- 2.Property Owner Association Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Property Owner Association Property. Taxable Property Owner Association Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property.
- 3.No Special Tax shall be levied on Public Property that is not Taxable Public Property. If, after the first issuance of Bonds have been issued, an Assessor's Parcel within the boundaries of Improvement Area No. 1 that was privately-owned and subject to the Special Tax is acquired by a public agency then such Assessor's Parcel shall be classified as Taxable Public Property. Taxable Public Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the sixth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Public Property.
- 4.No Special Tax shall be levied on up to 44 Dwelling Units on Residential Property qualifying as MIBMR Property or any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property. However, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Improvement Area No. 1 Bonds, as applicable, any Assessor's Parcels that received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

F. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct with respect to one or more specific Assessor's Parcels. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Taxes theretofore levied on the Assessor's Parcel(s). In addition, during the term of the appeal process, all Special Tax levied must be paid for the subject Assessor's Parcel(s) prior to delinquency.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD

Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit future Special Taxes.

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

G. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

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

H. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, that the CFD Administrator may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of Improvement Area No. 1. The City may covenant to foreclose and may actually foreclose or cause an action for foreclosure to be prosecuted in respect of Assessor's Parcels of Taxable Property that are delinquent in the payment of the Special Tax.

I. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section I:

"Authorized Facilities" means the public facilities authorized to be financed, in whole or in part, by Improvement Area No. 1.

"Buildout" means the state of maximum development of Improvement Area No. 1, based on plans and anticipated development.

"CFD Public Facilities Cost" means \$13,195,000 for Improvement Area No. 1, as described on the Boundary Map, expressed in 2025 dollars, which shall increase by the annual percentage change in the Construction Inflation Index on July 1, 2026 and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by Improvement Area No. 1 under the authorized bonding program for Improvement Area No. 1, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied

under this Rate and Method of Apportionment as described in Section D. If the property described as “Future Annexation Area” on the Boundary Map annexes to Improvement Area No. 1 in the future, then “CFD Public Facilities Cost” shall mean \$17,785,000 for Improvement Area No. 1, expressed in 2025 dollars, and shall increase annually as described above.

“Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the City of San Francisco, measured as of the calendar year which ends in the previous Fiscal Year, but not less than zero percent. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of San Francisco.

“Future Facilities Costs” means, as of the date of prepayment, the CFD Public Facilities Costs minus the portion of the CFD Public Facilities Costs previously funded from (a) proceeds of all Previously Issued Improvement Area No. 1 Bonds, which were, at the time of issuance, available to the City for Authorized Facilities, (b) interest earnings on the Improvement Fund actually earned prior to the date of prepayment, and (c) proceeds of the Special Tax dedicated to Pay-As-You-Go Expenditures. In no case, shall the Future Facilities Costs be less than zero.

“Previously Issued Improvement Area No. 1 Bonds” means all Outstanding Improvement Area No. 1 Bonds that have been issued by Improvement Area No. 1 prior to the date of prepayment.

1. Prepayment in Full

The Special Tax obligation of an Assessor's Parcel of Developed Property, Final Map Property, or Undeveloped Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent installments of the Special Tax 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 CFD Administrator with written notice of intent to prepay. Within 45 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to the next occurring date that notice of redemption of Outstanding Improvement Area No. 1 Bonds, if any. Proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. If a prepayment is made prior to the issuance of Improvement Area No. 1 Bonds, the Redemption Premium, Interest Amount, Reserve Fund Credit and Capitalized Interest Credit as calculated below, shall be zero. The CFD Administrator may charge the property owner requesting a prepayment calculation a fee for providing this service.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount
Plus Future Facilities Amount

	plus	Redemption Premium
	plus	Interest Amount
	plus	Administrative Fees and Expenses
	less	Reserve Fund Credit
	<u>less</u>	<u>Capitalized Interest Credit</u>
Total:	equals	Special Tax Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Step Number:

1. Confirm that no Special Tax delinquency apply to such Assessor’s Parcel, and if delinquencies are applicable compute all amounts due, including interest and penalties.
2. For Assessor’s Parcels of Developed Property compute the Assigned Special Tax and Backup Special Tax. For Assessor’s Parcels of Final Map Property and Undeveloped Property, compute the Assigned Special Tax and Backup Special Tax for that Assessor’s Parcel as though it was already designated as Developed Property, based upon the building permits expected to be issued for that Assessor’s Parcel.
3.
 - a. Divide the Assigned Special Tax computed pursuant to Step 2 by the total estimated Assigned Special Tax for Improvement Area No. 1 based on the Special Tax which could be charged in the current Fiscal Year on all expected development through Buildout of Improvement Area No. 1
 - b. Divide the Backup Special Tax computed pursuant to Step 2 by the total estimated Backup Special Tax for Improvement Area No. 1 based on the Special Tax which could be charged in the current Fiscal Year on all expected development through Buildout of Improvement Area No. 1
 - c. Determine which quotient computed pursuant to Step 3.a or 3.b is larger (the “Maximum Special Tax Percentage”).
4. Multiply the Maximum Special Tax Percentage by the Outstanding Improvement Area No. 1 Bonds to compute the principal amount of Outstanding Improvement Area No. 1 Bonds to be redeemed (the “*Bond Redemption Amount*”).
5. Compute the Future Facilities Costs.
6. Multiply the Maximum Special Tax Percentage by the total Future Facilities Costs to compute the Future Facilities amount to be prepaid (the “*Future Facilities Amount*”).
7. Multiply the Bond Redemption Amount computed pursuant to Step 4 by the applicable redemption premium, if any, on the Outstanding Improvement Area No. 1 Bonds to be redeemed (the “*Redemption Premium*”) determined by reference to the Indenture.

8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Improvement Area No. 1 Bonds (the "*Interest Amount*").
9. Verify the administrative fees and expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding Improvement Area No. 1 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "*Administrative Fees and Expenses*").
10. If reserve funds for the Outstanding Improvement Area No. 1 Bonds held under the Indenture, if any, are at or above 100% of the then reserve requirement (as required by the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve requirement for the Outstanding Improvement Area No. 1 Bonds to be redeemed pursuant to the prepayment (the "*Reserve Fund Credit*"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the applicable reserve requirement on the prepayment date or if the Reserve Fund is satisfied by a credit instrument rather than cash funded.
11. If any capitalized interest for the Outstanding Improvement Area No. 1 Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the Maximum Special Tax Percentage by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "*Capitalized Interest Credit*").
12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 4, 6, 7, 8 and 9 less the amount computed pursuant to Steps 10 and 11 (the "*Prepayment Amount*").
13. From the Prepayment Amount, the amounts computed pursuant to Step 6 shall be used by the City to pay for Future Facilities Costs. The amounts computed pursuant to Steps 4, 7 and 8 shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Improvement Area No. 1 Bonds or make Debt Service payments. The amount computed pursuant to Step 9 shall be retained by the City for the payment of Administrative Fees and Expenses.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Outstanding Improvement Area No. 1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Outstanding Improvement Area No. 1 Bonds or to make Debt Service payments.

Current year Special Taxes that are not yet paid will remain outstanding and will be collected in the manner billed. With respect to any Assessor's Parcel that is prepaid, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax and the obligation of such Assessor's Parcel satisfied.

Notwithstanding the foregoing, no prepayment will be allowed unless the Maximum Special Tax that may be levied on Taxable Property both prior to and after the proposed prepayment is at least 1.1 times the maximum annual Debt Service on all Outstanding Improvement Area No. 1 Bonds plus annual Administrative Expenses, as reasonably estimated by the CFD Administrator.

2. Prepayment in Part

The Special Tax may be partially prepaid, provided that a partial prepayment may be made only after all authorized Improvement Area No. 1 Bonds have been issued and only for Assessor's Parcels of Developed Property, Final Map Property and Undeveloped Property and only if there are no delinquent Annual Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. The amount of the prepayment shall be calculated as in Section I.1; except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = P_E \times F.$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Special Tax Prepayment Amount calculated according to Section I.1

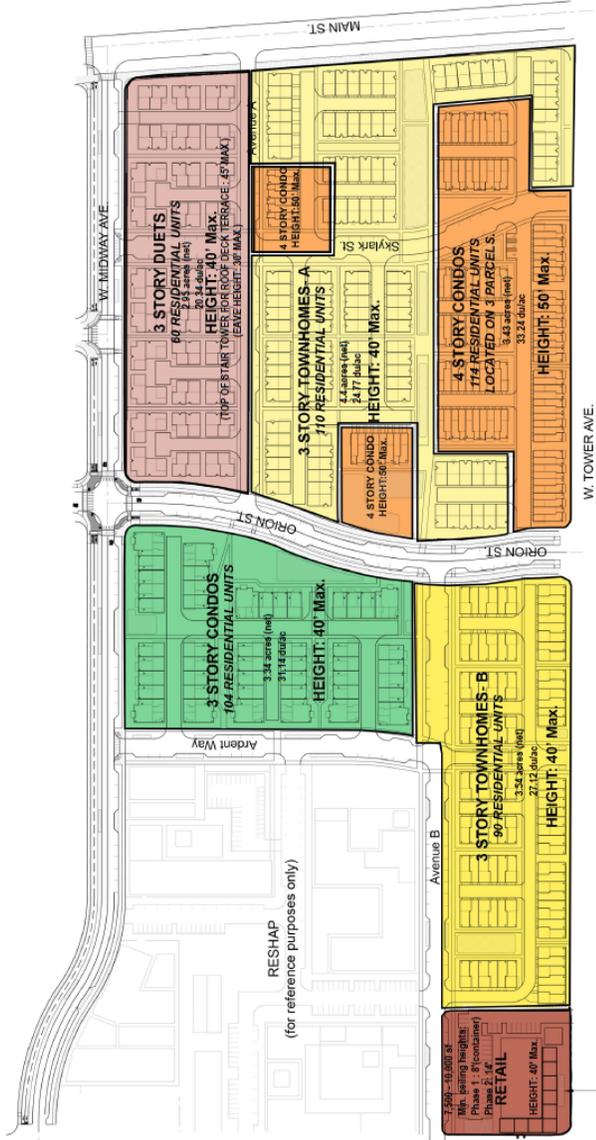
F = the percentage of the Special Tax Prepayment Amount calculated according to Section I.1 to be prepaid.

The Special Tax partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within 45 days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the prepayment funds remitted according to Section I.1, and (ii) indicate in the records of Improvement Area No. 1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

J. TERM

The Special Tax shall be levied and collected as needed to fund the Annual Special Tax Requirement for up to 40 years from the initial levy of the Special Tax. In any event no Special Tax shall be levied for CFD. No. 25-1 after the 2064/65 Fiscal Year.



Note: Developer shall be permitted to incorporate up to 5 additional residential units within the commercial parcel. The exact size and configuration shall be determined at a later date.

- RETAIL:**
Please see Sheet 16 for Architectural Character
- 3 STORY DUETS:**
Please see Sheet 17a for Architectural Character
- 3 STORY TOWNHOMES - A:** Please see Sheet 17b for Architectural Character
- 3 STORY CONDOS:** Please see Sheet 17b for Architectural Character
- 3 STORY TOWNHOMES - B:**
Please see Sheet 17c for Architectural Character
- 4 STORY CONDOS:**
Please see Sheet 17d for Architectural Character



LAND USE DIAGRAM & BUILDING HEIGHTS

WEST MIDWAY
ALAMEDA, CA



EXHIBIT B

DESCRIPTION OF FACILITIES ELIGIBLE FOR FINANCING BY THE CFD

The CFD shall be eligible to finance all or a portion of the costs of the following:

The acquisition and construction of: roadways, sanitary sewer systems and any components thereof, stormwater drainage systems and any components thereof, water systems and any components thereof, curbs, gutters and sidewalks, and street lights and traffic signals, all within and in the vicinity of the CFD; including the acquisition of any related right-of-way and other land needed for the installation of any such improvements, demolition of existing structures and site leveling needed for the installation of any such improvements, erosion control, landscaping, joint trench, acquisition and installation of street furniture, and other appurtenances.

The facilities eligible to be financed shall include the costs of design, engineering, and planning, the costs of any environmental or other studies, surveys or reports, the cost of any required environmental mitigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision, City of Alameda staff and consultant costs, and any other costs or appurtenances related to any of the public improvements to be financed or any of the foregoing.

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City fees levied at the time of issuance of a building permit or required as part of the Development Agreement for the property. Fees include but are not limited to, Main Street Adaptation Contribution Fee, Sewer Connection Fee, City of Alameda Development Impact Fee ("DIF") (Public Safety Facilities Fee, General Public Facilities Fee, Transportation Fee, Park and Recreation Facilities Fee), Public Art Fee, Citywide Inclusionary Fee/Affordable Housing Fee and any other eligible fees from the City or other jurisdictions.

EXHIBIT C

FORM OF

NOTICE OF PUBLIC HEARING ON PROPOSED CITY OF ALAMEDA
COMMUNITY FACILITIES DISTRICT NO. 25-1 (WEST MIDWAY FACILITIES),
IMPROVEMENT AREA NO. 1 AND FUTURE ANNEXATION AREA

The City of Alameda is considering the formation of a community facilities district (the “CFD”), the designation of Improvement Area No. 1, and establish a future annexation area for the CFD (the “Future Annexation Area”) under the authority of the City of Alameda Special Tax Financing Improvement Code, Section 3-70.1 et seq. of the Alameda Municipal Code (the “Law”), to fund certain facilities related to new development within the City of Alameda, and to incur bonded indebtedness of the CFD.

This Notice contains a brief summary of the proposal, but you are referred to the City Council’s Resolution Declaring Intention to Form a Community Facilities District, Designate an Improvement Area therein, Establish a Future Annexation Area, Provide for Additional Future Improvement Areas Therein, and to Authorize the Levy of a Special Tax therein to Finance Public Facilities in and for Such Community Facilities District (Resolution No. _____, adopted September 2, 2025) and its Resolution Declaring Intention to Incur Bonded Indebtedness to Finance the Acquisition and Construction of Certain Facilities in and for a Community Facilities District and Improvement Areas Therein (Resolution No. _____, adopted September 2, 2025) for details of the proposals.

The proposal is to subject the property within the CFD to a special tax which will be used to pay for authorized facilities within the CFD, including paying principal and interest on bonds used to build facilities. The proceeds of the bonds will be used to pay for the facilities and other expenses set forth in the resolutions referred to in the preceding paragraph. A map showing the land proposed to be included in Improvement Area No. 1 of the CFD and the Future Annexation Area is on file with the City Clerk.

Property within the Future Annexation Area may be annexed to Improvement Area No. 1, any other Improvement Area then-existing, or a new Improvement Area of the CFD, and a special tax will be levied on such property, only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed to the CFD, without additional hearings or proceedings.

As set forth below, the City Council will hold a public hearing on the establishment of the CFD, the designation of Improvement Area No. 1, and the establishment of the Future Annexation Area, the facilities to be financed by the CFD, and the levy of the special tax within the CFD.

The proposal also includes authority to issue bonds to be repaid by the facilities portion of the special tax. The bonded indebtedness for the CFD is proposed in an amount not to exceed \$35,000,000 (the “Authorization”), initially allocated as follows: (i) for land within Improvement Area No. 1, \$26,000,000 and (ii) for land that may annex into

a Future Improvement Area from the Future Annexation Area, \$9,000,000. Neither the City of Alameda nor any person outside the CFD has any liability for the special tax or the bonds. The security for the bonds is limited to the property subject to the special tax within the applicable Improvement Area of the CFD.

In order to confer the authority upon the City Council of the City of Alameda to levy the special tax and to issue the bonds, a public hearing must be held on the proposal, then the City Council will decide whether to form the CFD, and finally the qualified electors within the CFD must approve the proposal by a two-thirds vote. Where the CFD is uninhabited (as is the case here) the qualified electors are, pursuant to law, the owners of property within the CFD.

This is the notice of the public hearing. The public hearing will be held during the City Council meeting on Tuesday, October 7, 2025, at 7:00 p.m., at the City of Alameda City Hall Council Chambers located at 2263 Santa Clara Avenue, Alameda, California 94501.

At the hearing, the testimony of all interested persons or potential special taxpayers for or against the formation of the CFD and the Future Annexation Area, the authorization to levy the special tax, and the authorization to issue the bonds will be heard.

If written protests against the proposed CFD are delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, the proposed CFD, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the CFD or by the owners of a majority of the land area within CFD which is or will be subject to the special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the proposed CFD to be eliminated from immediate consideration, and prevent its being included in a subsequent proceeding for at least one year.

If written protests against the establishment of the proposed Future Annexation Area are delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, the proposed Future Annexation Area, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the proposed Future Annexation Area or by the owners of a majority of the land area within the proposed Future Annexation Area which is or will be subject to the special tax when annexed to the CFD, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, the City Council shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the City Council.

If the City Council, after the public hearing, determines that a majority protest was not made at the hearing, the City Council may conduct an election by mailed ballot to levy a special tax within the CFD.

Questions should be directed to the undersigned, telephone (510) 747-4800.

Dated: _____, 2025

_____/s/ Lara Weisiger
Lara Weisiger, City Clerk
City of Alameda

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the 2nd day of September 2025, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set by hand and affixed the official seal of said City this 3rd day of September 2025.

Lara Weisiger, City Clerk
City of Alameda

Approved as to Form:

Yibin Shen, City Attorney
City of Alameda