

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS DECLARING
ITS INTENTION TO AUTHORIZE THE ANNEXATION OF TERRITORY TO
COMMUNITY FACILITIES DISTRICT NO. 2008-1**

(ANNEXATION NO. 21)

WHEREAS, the City Council of the City of Milpitas, California (the “City Council”) has previously formed City of Milpitas Community Facilities District No. 2008-1 (Public Services) (“CFD 2008”) pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”) for the purpose of financing certain public services; and

WHEREAS, certain territory known as [1380-1400 South Main Street] is proposed to be annexed to CFD No. 2008-1 and such territory shall be known and designated as “City of Milpitas Community Facilities District No. 2008-1 (Public Services), Annexation No. 21” (the “Territory”); and

WHEREAS, pursuant to the Act, territory may be annexed to an existing CFD if the City Council determines that public convenience and necessity require that territory be added to the existing CFD; and

WHEREAS, a map showing the Territory and designated as Annexation Map No. 21 (the “Annexation Map”), a copy of which is attached as Exhibit A hereto and incorporated herein by this reference, has been submitted to this legislative body; and

WHEREAS, this legislative body now desires to proceed to adopt its resolution of intention to annex the Territory to CFD No. 2008-1, to describe the territory included in CFD No. 2008-1 and the Territory proposed to be annexed thereto, to specify the services to be financed from the process of the levy of special taxes within the Territory, to set and specify the special taxes that would be levied within the Territory to finance such services, and to set a time and place for a public hearing relating to the annexation of the Territory to CFD No. 2008-1.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Milpitas that:

1. Recitals. The above recitals are all true and correct.
2. Legal Authority. These proceedings for annexation are initiated by this City Council pursuant to the authorization of the Act.
3. Intent to Annex; Description of Territory; Approval of Annexation Map. This legislative body hereby determines that public convenience and necessity requires that the Territory be added to CFD No. 2008-1 and this City Council declares its intention to annex the Territory to CFD No. 2008-1. The Annexation Map is hereby approved and adopted. A certificate shall be endorsed on the original and on at least one (1) copy of the Annexation Map, evidencing the date and adoption of this Resolution, and within fifteen (15) days after the adoption of this Resolution, a copy of the Annexation Map shall be filed with the correct and proper endorsements thereon with the Santa Clara County Recorder (the “County Recorder”), all in the manner and form provided for in Section 3111 of the Streets and Highways Code of the State of California.

A description of the boundaries and Territory proposed to be annexed is as follows:

All that Territory proposed to be annexed to CFD No. 2008-1, as such property is shown on a map entitled “Annexation Map No. 21 of City of Milpitas Community Facilities District No. 2008-1 (Public Services),

County of Santa Clara, State of California,” a copy of which is on file in the Office of the City Clerk and shall remain open for public inspection.

A general description of the territory included in CFD No. 2008-1 is hereinafter described as follows:

All that property and territory as originally included within and previously annexed to CFD No. 2008-1, as such property is shown on maps of the CFD No. 2008-1 and territory previously annexed as approved by this City Council and designated by the name of CFD No. 2008-1 and Annexation Nos. 1 through 20. A copy of such maps are on file in the Office of the City Clerk and have also been filed in the Office of the County Recorder.

4. Name. The proposed annexation shall be known and designated as “City of Milpitas Community Facilities District No. 2008-1 (Public Services), Annexation No. 21.”

5. Services Authorized to be Financed by CFD No. 2008-1. The services that are authorized to be financed by CFD No. 2008-1 from the proceeds of special taxes levied within the CFD No. 2008-1 are certain services which are in addition to those services that were provided in or required for CFD No. 2008-1 prior to the formation of CFD No. 2008-1 and did not replace services already available in CFD No. 2008-1 at the time of formation of CFD No. 2008-1. A general description of the services authorized to be financed by CFD No. 2008-1 is as follows:

- (a) Police protection services, including, but not limited to criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.
- (b) Fire protection and suppression services, and ambulance and paramedic services.
- (c) Maintenance and lighting of parks, parkways, streets, roads, street landscaping, and open space.
- (d) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems.
- (e) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

CFD No. 2008-1 shall finance all direct, administrative and incidental annual costs and expenses necessary to provide such monitoring, maintenance, operation and management of such public property.

The same types of services which are authorized to be financed by CFD No. 2008-1 from the proceeds of special taxes levied within CFD No. 2008-1 are the types of services to be financed from the proceeds of special taxes levied within CFD No. 2008-1. If and to the extent possible such services shall be provided in common within CFD No. 2008-1 and the Territory.

6. Special Taxes. It is the further intention of this City Council that, except where funds are otherwise available, a special tax sufficient to pay for such services and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in the Territory, will be levied annually within the boundaries of such Territory. For further particulars as to the rate and method of apportionment of the proposed special tax, reference is made to the attached and incorporated Exhibit B (the “Rate and Method”), which sets forth in sufficient detail the method of

apportionment to allow each landowner or resident within the proposed Territory to clearly estimate the maximum amount that such person will have to pay.

The special tax proposed to be levied within the Territory shall be equal to the special tax levied to pay for the same services in CFD No. 2008-1, except that a higher or lower special tax may be levied within the Territory to the extent that the actual cost of providing the services in the Territory is higher or lower than the cost of providing those services in CFD No. 2008-1. Notwithstanding the foregoing, the special tax may not be levied at a rate which is higher than the maximum special tax authorized to be levied pursuant to the Rate and Method.

The special taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County of Santa Clara tax roll shall be collected through a direct billing procedure by the Treasurer.

The maximum special tax rate in CFD No. 2008-1 shall not be increased as a result of the annexation of the Territory to CFD No. 2008-1.

7. Public Hearing. NOTICE IS HEREBY GIVEN THAT A PUBLIC HEARING HAS BEEN SCHEDULED TO BE HELD ON JUNE 15, 2021 AT THE HOUR OF 7:00 P.M., OR AS SOON THEREAFTER AS PRACTICABLE, IN MILPITAS, CALIFORNIA, AT WHICH TIME THE CITY COUNCIL OF THE CITY OF MILPITAS, CALIFORNIA, WILL CONSIDER THE AUTHORIZATION FOR THE ANNEXATION OF THE TERRITORY TO CFD NO. 2008-1, THE PROPOSED RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX TO BE LEVIED WITHIN THE TERRITORY AND ALL OTHER MATTERS SET FORTH IN THIS RESOLUTION.

PURSUANT TO THE CALIFORNIA GOVERNOR'S EXECUTIVE ORDER N-29-20, IN THE INTEREST OF THE PUBLIC HEALTH AND SAFETY, MEMBERS OF THE CITY COUNCIL AND STAFF MAY PARTICIPATE IN THIS MEETING VIA TELECONFERENCE. IN ACCORDANCE WITH SUCH ORDER, THE PUBLIC MAY VIEW THE MEETING ON TELEVISION AND/OR ONLINE AND NOT IN THE COUNCIL CHAMBERS.

HOW TO WATCH: City Council meeting is held via teleconference/Zoom webinar only (no physical meeting space). Council meeting will be livestreamed and may be watched without providing public comment by accessing it via the following links:

Facebook: <https://www.facebook.com/CityofMilpitas/>
YouTube: <https://www.ci.milpitas.ca.gov/youtube>
Web Streaming: <https://www.ci.milpitas.ca.gov/webstreaming>

HOW TO SUBMIT COMMENTS: Oral public comments may be provided live during the City Council meeting by first registering for the Zoom meeting in advance by providing your email address (not disclosed) and a name. The link to register for this meeting will be provided on the City Council Agenda for June 15, 2021. A link will be sent to you to join the City Council meeting in order to give your comments. All registered meeting attendees who wish to speak must click on the "raise hand" icon when the Mayor calls for public comments. If participating by calling in on your phone, dial *9 to use the "raise hand" feature, and when you are called upon, hit *6 to unmute your phone. Your phone number will be displayed in the live meeting. The Mayor or staff will call the speakers to begin. All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items. Online written comment form previously used is no longer available for public comment.

8. Majority Protest. If (a) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within CFD No. 2008-1, (b) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within the Territory, (c) owners of one-half or more of the area of land in the territory included in CFD No. 2008-1, or (d) owners of one-half or more of the area of land included in the Territory, file written protests against the proposed annexation of the Territory to CFD No. 2008-1 in the future and such protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of the decision by the City Council on the issue discussed at the public hearing.

9. Election. Upon the conclusion of the public hearing, if the legislative body determines to proceed with the annexation of the Territory, a proposition shall be submitted to the qualified electors of the Territory. The vote shall be by registered voters within the Territory; provided, however, if there are less than 12 registered voters, the vote shall be by landowners, with each landowner having one vote per acre or portion thereof within the Territory.

10. Notice. Notice of the time and place of the public hearing shall be given by the City Clerk by publication in the legally designated newspaper of general circulation, said publication pursuant to Section 6061 of the Government Code of the State of California, with said publication to be completed at least seven (7) days prior to the date set for the public hearing.

PASSED AND ADOPTED this 4th day of May, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED

Wendy Wood, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

EXHIBIT A

ANNEXATION MAP NO. 21

SHEET 1 OF 1

Filed in the office of the City Clerk of the City of Milpitas this _____ day of _____, 2021.

City Clerk, City of Milpitas

I hereby certify that the within map showing proposed boundaries of Annexation Map No. 21 of City of Milpitas Community Facilities District No. 2008-1 (Public Services), City of Milpitas, County of Santa Clara, State of California, was approved by the City Council of the City of Milpitas at a regular meeting thereof, held on the _____ day of _____, 2021, by its Resolution No. _____.

City Clerk, City of Milpitas

Filed this _____ day of _____, 2021, at the hour of _____ o'clock _____ m., in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ in the office of the County Recorder in the County of Santa Clara, State of California.

County Recorder, Regina Alcomendras
County of Santa Clara

The boundary of Community Facilities District No. 2008-1 is co-terminous with the boundary of the City of Milpitas in _____, 2021.

Reference is hereby made to the Assessor maps of the County of Santa Clara for an exact description of the lines and dimensions of each lot and parcel.

The territory included in the Community Facilities District shall include only Santa Clara County Assessors for the following Annexation Maps:

Initial formation CFD 2008-1: 08632033, 08632034, 08632035, 0832036
 Map No. 1: 08641020, 08641021, 08641022
 Map No. 2: 08633043
 Map No. 3: 08633094, 08633095, 08633096, 08633099
 Map No. 4: 08632044
 Map No. 5: 08632038, 08632045, 08632046
 Map No. 6: 08636003, 08636004, 08636005, 08636006
 Map No. 7: 08633092
 Map No. 8: 08637018, 08637037, 08637038
 Map No. 9: 08632026, 08632070
 Map No. 10: 08633089, 08633107, 08633108
 Map No. 11: 08641009, 08641032, 08641033, 08641034
 Map No. 12: 086037039, 086037040
 Map No. 13: 08633105
 Map No. 14: 08636040
 Map No. 15: 08633111
 Map No. 16: 082268077
 Map No. 17: 08636039
 Map No. 18: 08336003
 Map No. 19: 08636038
 Map No. 20: 08636013
 Map No. 21: 08336006, 08336007

and all publicly owned areas in the City of Milpitas landscaped or capable of being landscaped, such as parks, pathways, street medians, interchange areas, light rail areas, open space and all similar areas. All other areas depicted on this map indicate territory that may be annexed to the Community Facilities District in the future.

ANNEXATION MAP NO. 21 AND UPDATE OF ANNEXATION MAP NO. 20 OF CITY OF MILPITAS COMMUNITY FACILITIES DISTRICT NO. 2008-1 (PUBLIC SERVICES), COUNTY OF SANTA CLARA STATE OF CALIFORNIA AS RECORDED IN BOOK 53 PAGE 19 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, O.R., SANTA CLARA COUNTY

AMENDED FOR MAP NO. 21 ANNEXATION

DANIEL J. EDWARDS, RCE # 93389

DATE

• THE SQUARE ABOVE IS ONLY FOR THE UPDATE TO ANNEXATION MAP NO. 21 AND IS UPDATING THE RECORDED ANNEXATION MAP NO. 20 OF CITY OF MILPITAS COMMUNITY FACILITIES DISTRICT NO. 2008-1

Drawn By: BP File No. CFD 2008-1 Sheet 1 of 1

EXHIBIT B

RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 2008-1 OF THE CITY OF MILPITAS

1. BASIS OF SPECIAL TAX LEVY

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in the Community Facilities District No. 2008-1 (Public Services) (CFD) of the City of Milpitas (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. DEFINITIONS

"**Act**" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"**Administrative Expenses**" means the actual or estimated costs incurred by the City to form the CFD and to determine, levy, and collect the Special Taxes, including compensation of City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the costs of collecting installments of the Special Taxes on the general tax rolls, preparation of required reports, and any other costs required to administer the CFD as determined by the City.

"**Administrator**" means the Finance Director of the City, or his or her designee.

"**Affordable Housing**" means a Dwelling Unit on a Developed Parcel that is subject to deed restrictions, resale restrictions, or regulatory agreements recorded on the property that provide housing for persons that meet Low-, Very Low-, or Extremely Low-Income levels pursuant to the California Health and Safety Code Sections 5079.5, 50105, or 50106. The Dwelling Unit shall no longer be considered Affordable Housing following termination of the agreement containing covenants or similar instruments.

"**Annexation Parcel**" means any Parcel that is annexed to the CFD after it is formed.

"**Annual Costs**" means for each Fiscal Year, the total of (1) Authorized Services, (2) Administrative Expenses, and (3) any amounts needed to cure actual or estimated delinquencies in Special Taxes for the current or previous Fiscal Year.

"**Authorized Services**" mean those services, as listed in the resolution forming the CFD.

"**Base Year**" means the Fiscal Year beginning July 1, 2009 and ending June 30, 2010.

"**Certificate of Occupancy**" means a permit issued by the City authorizing the occupancy of a Dwelling Unit.

"**CFD**" means the Community Facilities District No. 2008-1 (Public Services) of the City of Milpitas, Santa Clara County, California.

"**City**" means the City of Milpitas in Santa Clara County, California.

"**Council**" means the City Council of the City of Milpitas acting for the CFD under the Act.

"**County**" means the County of Santa Clara, California.

"County Assessor's Parcel" means a lot or Parcel with an assigned Assessor's Parcel Number in the maps used by the County Assessor in the preparation of the tax roll.

"County Median Income" means the current median income for the County as determined by the U.S. Department of Housing and Urban Development, or successor agency as published annually by the State Department of Housing and Community Development pursuant to the Health and Safety Code Section 50093 et. seq.

"Developed Parcel" means a Parcel that has Certificate of Occupancy for residential land uses issued after January 1, 2009.

"Dwelling Unit(s)" means the number of taxable developed residential unit(s) assigned to a Parcel, or a portion thereof, by the Administrator.

"Extremely Low-Income Affordable" means a Dwelling Unit located on a Developed Parcel that is Affordable Housing for households with incomes at or below 30 percent of the County Median Income.

"Fiscal Year" means the period starting July 1 and ending the following June 30.

"Low-Income Affordable" means a Dwelling Unit located on a Developed Parcel for Affordable Housing for households with incomes at or below 80 percent of the County Median Income.

"Market Rate" means a Dwelling Unit located on a Developed Parcel that is not Affordable Housing.

"Maximum Annual Special Tax" means the greatest amount of Special Tax that can be levied against a Developed Parcel calculated by summing the Maximum Annual Special Tax Rate for each Dwelling Unit and Tax Category assigned to a Developed Parcel.

"Maximum Annual Special Tax Rate per Unit" means the amount shown in **Attachment 1** for a Fiscal Year that is assigned to a Dwelling Unit by Tax Category.

"Parcel" means any County Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"Parcel Number" means the Assessor's Parcel Number for any Parcel based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"Public Parcel" means any Parcel, in its entirety, that is or is intended to be publicly owned that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainageways, public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes. Any such Parcel will be a Tax-Exempt Parcel.

"Second-Family Unit" means an attached or detached additional residential dwelling unit on a single-family residential Developed Parcel. The Second-Family Unit is not considered a Dwelling Unit in terms of assigning the Maximum Annual Special Tax.

"Special Tax(es)" mean(s) any tax levy under the Act in the CFD.

"Tax Category" means the four categories of housing Dwelling Units shown in **Attachment 1**.

"Tax Collection Schedule" means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

"Tax Escalation Factor" means an annual percentage increase in the Maximum Annual Special Tax Rate per Unit based on the Consumer Price Index (CPI) (as of February, San Francisco, All Urban Consumers [CPI-U] Index), the CPI (prior calendar year annual average, San Francisco, All Urban Wage Earners and Clerical Workers), or 2 percent, whichever is greater. The Tax Escalation Factor is applied in each Fiscal Year following the Base Year.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax-Exempt Parcel" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels are Public Parcels (subject to the limitations set forth in **Section 4**, below), Undeveloped Parcels, and nonresidential use parcels, such as commercial, office, retail, industrial, etc.

"Undeveloped Parcel" means a Parcel that is not a Developed Parcel.

"Very Low-Income Affordable" means a Dwelling Unit located on a Developed Parcel that is Affordable Housing for households with incomes at or below 50 percent of the County Median Income.

3. DURATION OF THE SPECIAL TAX

Parcels in the CFD will remain subject to the Special Tax in perpetuity.

If the Special Tax ceases to be levied, the City will direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax, in addition, will identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

4. ASSIGNMENT OF MAXIMUM ANNUAL SPECIAL TAX

- A. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions in Section 2, above, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the Administrator shall cause these:
 1. Each Parcel to be classified as a Developed Parcel or Tax-Exempt Parcel.
 2. Each Developed Parcel to be assigned a number of Dwelling Units.
 3. Each Dwelling Unit to be further classified as Market Rate, Low-Income Affordable, Very Low-Income Affordable, or Extremely Low-Income Affordable.
- B. Assignment of Maximum Annual Special Tax. **Attachment 1** shows the Base Year Maximum Annual Special Tax Rates per Unit. Each Fiscal Year following the Base Year, the Maximum Annual Special Tax Rate per Unit may be increased in accordance with the Tax Escalation Factor. **Attachment 1** also shows the Current Maximum Annual Special Tax Rates per Unit with the application of the annual Tax Escalation Factor since the Base Year.

The Maximum Annual Special Tax is then assigned to Taxable Parcels using the steps below:

1. **Developed Parcels**. Dwelling Units are assigned by the Administrator by Tax Category (as shown in Attachment 1) to Developed Parcels. The Maximum Annual Special Tax for each Developed Parcel is the sum of the Maximum Annual Special Tax Rates per Unit (as increased by the Tax Escalation Factor each Fiscal Year after the Base Year) for each Dwelling Unit (and Tax Category

assigned thereto).

2. **Undeveloped Parcels.** Undeveloped Parcels are Tax-Exempt Parcels until developed as one of the residential uses discussed above.

- C. **Conversion of a Tax-Exempt Parcel to a Taxable Parcel.** If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel will be assigned according to the **Section 4.A** and **Section 4.B** above. Conversely, if a privately owned parcel is converted to a public use, it shall become tax-exempt.

5. CALCULATING ANNUAL SPECIAL TAXES

The Administrator will compute the Annual Costs and determine the Maximum Annual Special Tax for each Taxable Parcel based on the assignment of the Special Tax in **Section 4**. The Administrator will then determine the tax levy for each Taxable Parcel using the following process:

- D. Compute the Annual Costs using the definition of Annual Costs in **Section 2**.
- E. Calculate the Special Tax levy for each Developed Parcel by the following steps:
 - Step 1: Compute 100 percent of the Maximum Annual Special Tax Revenue for all Developed Parcels.
 - Step 2: Compare the Annual Costs with the Maximum Annual Special Tax revenue calculated in the previous step.
 - Step 3: If the Annual Costs are lower than the Maximum Annual Special Tax Revenue, decrease proportionately the Special Tax levy for each Developed Parcel until the revenue from the Special Tax levy equals the Annual Costs.
- F. Levy on each Taxable Parcel the amount calculated above.
- G. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will not be sent later than the date required by the Auditor for such inclusion.

The Administrator will make every effort to correctly calculate the Special Tax for each Parcel. It will be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and their Special Tax assignments.

6. RECORDS MAINTAINED FOR THE CFD

As development and subdivision occurs in the CFD, the Administrator will maintain a file containing records of the following information for each Parcel:

- The current County Assessor's Number.
- Number of Dwelling Units assigned by the Administrator to Developed Parcels.
- The Tax Category for each Dwelling Unit assigned to a Developed Parcel.

The file containing the information listed above will be available for public inspection.

7. INTERPRETATION, APPLICATION AND APPEAL OF SPECIAL TAX FORMULA AND PROCEDURES

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Administrator appealing the levy of the Special Tax. The Administrator will then promptly review the appeal, and if necessary, meet with the applicant. If the Administrator verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a refund will be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Administrator may make minor, non-substantive administrative and technical changes to the provisions of this Exhibit that do not materially affect the rate, method of apportionment, and manner of collection of the Special tax for purposes of the administrative efficiency or convenience or to comply with new applicable federal, state or local law.

8. PREPAYMENT OF THE SPECIAL TAX OBLIGATION

The Maximum Annual Special Tax for a Taxable Parcel may not be prepaid. The Special Tax is collected to fund Authorized Services in perpetuity, or until the Council determines that the Special Tax should no longer be collected.

9. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, that the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

Attachment 1

**City of Milpitas
CFD No. 2008-1 (Public Services)
Maximum Annual Special Tax Rates Per Unit**

Dwelling Unit Tax Category	Base Year Special Tax Rate Per Unit FY 2009-2010 [1]	Current Year Special Tax Rate Per Unit FY 2020-2021
Market Rate [1]	\$510.00	\$698.86
Low Income Residential [2]	\$408.00	\$559.09
Very Low Income Residential [3]	\$255.00	\$349.43
Extremely Low Income Residential [4]	0	0

[1] May be increased by the Tax Escalation Factor in each Fiscal Year after the Base Year 2009-2010.

[2] Initially set at 80% of the Market-Rate Maximum Annual Special Tax Rate per Unit. When such Parcel is no longer subject to Affordable Housing status, it will be assigned to the Market Rate Tax Category.

[3] Initially set at 50% of the Market-Rate Maximum Annual Special Tax Rate per Unit. When such Parcel is no longer subject to Affordable Housing status, it will be assigned to the Market Rate Tax Category.

[4] Initially set at 0% of the Market-Rate Maximum Annual Special Tax Rate per Unit. When such Parcel is no longer subject to Affordable Housing status, it will be assigned to the Market Rate Tax Category.