

RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF CHULA VISTA  
COMMUNITY FACILITIES DISTRICT NO. 99-2  
(VILLAGE ONE WEST)

**ANNUAL SPECIAL TAX**

A Special Tax shall be levied annually on land within Community Facilities District No. 99-2 (Open Space Maintenance District) of the City of Chula Vista (the "District"), and collected according to the Special Tax Liability determined by the City of Chula Vista (the "City") through the application of the following procedures. All of the property within the District, unless otherwise exempted by law or the express provisions of the rate and method of apportionment expressed below, shall be taxed to the extent and in the manner provided below.

All Special Taxes applicable to Parcels shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, and the Special Taxes so levied will be subject to the same penalties and procedures, sale and lien priority in case of delinquency as is provided for ad valorem taxes.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**"Acre or Acreage"** means the area of a Parcel as shown on the latest maps of the Assessor of the County of San Diego, or, if the area of such Parcel is not shown on such Assessor's maps, the area as shown on a current recorded subdivision map, parcel map, record of survey or other recorded document creating or describing the Parcel. If the preceding maps are not available, the City Engineer shall determine the area.

**"Administrative Expenses"** means the direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the Special Taxes) including the fees and expenses of its counsel. Any fees of the County related to the District or the collection of Special Taxes, an allocable share of the salaries of City staff directly related thereto, any amounts paid by the City from its general fund with respect to the District, and expenses incurred by the City in undertaking actions to foreclose on properties for which the payment of Special Taxes is delinquent, and all other costs and expenses of the City related to the District.

**"Building Square Foot or Square Footage"** means the square footage as shown on the Parcel's building permit(s), excluding garages or other structures not used as living space.

"City" means the City of Chula Vista.

"Developed Parcel" means Taxable Property for which a foundation building permit or other form of building permit has been issued as of March 1 of the preceding Fiscal Year.

"District" means the Open Space Maintenance District-SPA One (Village One West) of the Community Facilities District No. 99-2 of the City of Chula Vista. (Exhibit A)

"Facilities" means those improvements defined in Part II of the Special Tax Report dated June 6, 2000 for Community Facilities District No. 99-2 of the City of Chula Vista.

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

"Future Annexation" means all of the specific Parcels that are subject to a one-time annexation into CFD No.99-2 as depicted in Exhibit B and identified as Parcels 1,2 & 3. In the event such Future Annexation occurs, any such Parcels that are annexed will be subject to the Maximum Special Tax as described in this Rate and Method of Apportionment of Special Tax. The Future Annexation Parcels may be annexed separately over time.

"Maximum Special Tax" means the maximum special tax that can be levied within CFD No. 99-2 by the City Council in any Fiscal Year for each Parcel of Taxable Property.

"Operating Fund" means a fund that shall be maintained by the District for any Fiscal Year to pay for the actual costs of maintenance, repair, and replacement of the Facilities, and the Administrative Expenses.

"Operating Fund Balance" means the amount of funds in the Operating Fund at the end of the preceding Fiscal Year.

"Operating Fund Requirement" means for any Fiscal Year an amount equal to the budgeted costs of the maintenance, repair and replacement of the Facilities which have been accepted and maintained by the District or are reasonably expected to be accepted and maintained by the District during the current Fiscal Year plus the budgeted Administrative Expenses of the District for the current Fiscal Year in which Special Taxes are levied.

"Parcel" means any San Diego County Assessor's Parcel or portion thereof that is within the boundaries of the District designated on a map of the San Diego County Assessor and which has been assigned a discrete identifying number on the equalized tax rolls of the County.

**"Reserve Fund"** means a fund that shall be maintained to provide necessary cash flow for operations and maintenance for the first six months of each Fiscal Year, working capital to cover maintenance and repair cost overruns and delinquencies that may arise in connection with the collection of Special Taxes and a reasonable buffer against large variations in annual Special Tax amounts.

**"Reserve Fund Balance"** means the amount of funds in the Reserve Fund at the end of the preceding Fiscal Year.

**"Reserve Fund Requirement"** means the required balance in the Reserve Fund equal to up to 100% of the Operating Fund Requirement.

**"Residential Uses"** shall include those residential uses as permitted in the City zoning ordinance.

**"Special Tax"** means the special tax or special taxes actually levied within CFD No. 99-2.

**"Special Tax Liability"** for any Fiscal Year is an amount determined sufficient to pay the costs of the District, including: (i) the amount required to be deposited into the Operating Fund to meet the Operating Fund Requirement, less the Operating Fund Balance, and (ii) the total amount required to be deposited into the Reserve Fund if any, to meet the Reserve Fund Requirement, less the Reserve Fund Balance.

**"Taxable Property"** is all real property or Parcels within the boundaries of the District which are not exempt from the Special Tax pursuant to law, or which are not classified or assigned to the Exempt Category as defined herein.

## **B. CATEGORIES OF SPECIAL TAXES**

### **Residential Category:**

The residential category includes each Developed Parcel within the District, which is zoned for Residential Uses by the City ("Residential Category").

- The Maximum Special Tax that may be levied for Fiscal Year 2000/2001 on each Developed Parcel assigned to the Residential Category shall be \$.3857 per Building Square Foot, if the annexation of Future Annexation (Parcels 1 & 2) has not occurred or \$.3749 per Building Square Foot if the annexation of Future Annexation (Parcels 1 & 2) has occurred, as provided for in the "Assignment to Categories of Special Taxes".

Said Maximum Special Tax rates shall be increased or decreased each Fiscal Year thereafter by a factor which shall be the lesser of the annual percentage change in the January to January San Diego Metropolitan Area All Urban Consumer Price Index

(All Items) or the annual percentage change in the estimated California Fourth Quarter Per Capita Personal Income as contained in the Governor's budget published every January.

### **Exempt Category**

The exempt category includes each property owned by, conveyed or irrevocably offered for dedication to a public agency, land which is in the public right-of-way, unmanned utility easements which make utilization for other than the purpose set forth in the easement impractical, common areas, private streets and parks, and open space lots ("Exempt Category").

### **Vacant Land Category**

The vacant land category includes each Parcel of Taxable Property assigned to the District not subject to a Special Tax under any other category described above ("Vacant Land Category").

The Maximum Special Tax which may be levied on each Parcel within the Vacant Land Category for Fiscal Year 2000/2001 shall be the rates set forth below (said amount to be levied pro rata for any portion of an Acre). Said Maximum Special Tax shall be increased or decreased each Fiscal Year thereafter by a factor which shall be the lesser of the annual percentage change in the January to January San Diego Metropolitan Area All Urban Consumer Price Index (All Items) or the annual percentage change in the estimated California Fourth Quarter Per Capita Personal Income as contained in the Governor's budget published every January.

- The Maximum Special Tax that may be levied for Fiscal Year 2000/2001 on each Parcel Assigned to the Vacant Land Category shall be \$4,766.00 per Acre, if the Future Annexation (Parcels 1 & 2) has not occurred or \$4,623.00 per Acre if annexation of Future Annexation (Parcels 1 & 2) has occurred, as provided for in the "Assignment to Categories of Special Taxes".

## **C. ASSIGNMENT TO CATEGORIES OF SPECIAL TAXES**

On or about July 1 of each year (but in any event in sufficient time to include the levy of the Special Taxes on the County's secured tax roll) the City shall assign each Parcel within the District including Parcels subject to Future Annexation if the Future Annexation has occurred by such date to the Residential Category, Exempt Category, or Vacant Land Category. Parcels subject to levy shall be determined based upon the records of the San Diego County Assessor.

## **D. LEVY AND APPORTIONMENT OF SPECIAL TAXES**

The City shall determine the Special Tax Liability in each Fiscal Year on or about every July 1 (but in any event in sufficient time to include the levy of the Special

Taxes on the County's secured tax roll). Special Taxes shall then be levied on each Parcel assigned to the Residential Category, and Vacant Land Category in the following order of priority:

- Step 1:** Determine the maximum revenue, which could be generated by multiplying the total Building Square Footage of all Developed Parcels assigned to the Residential Category by the Maximum Special Tax per Building Square Foot.
- Step 2:** If the total Special Tax revenue as calculated in Step 1 is greater than the Special Tax Liability, reduce the Special Tax for each Parcel proportionately so that the Special Tax levy for the Fiscal Year is equal to the Special Tax Liability for the Fiscal Year.
- Step 3:** If the total Special Tax revenue as calculated in Step 1 is less than the Special Tax Liability, a Special Tax shall be levied upon each Parcel assigned to the Vacant land Category. The Special Tax for the Vacant Land Category shall be calculated as the lessor of:
- (i) The Special Tax Liability, less the total of funds generated for all Parcels under Step 1 above, divided by the total Acres for all Parcels assigned to the "Vacant Land Category".
- OR,
- (ii) the Maximum Special Tax rate for Parcels within the Vacant Land Category.

However, in the event it is determined that the Special Tax Liability includes delinquent Special Taxes from Parcels in the Vacant Land Category from the prior Fiscal Year, the City shall determine the amount of such delinquent Special Taxes that arose from such Parcels and identify the owner(s). The amount of delinquent Special Taxes, if any, that arose from each owner shall first be divided by the total Acres owned by such owner(s), and collected from the respective owner with the remaining portion of the Special Tax Liability not related to delinquent Special Taxes to be collected from Parcels in the Vacant Land Category according to the procedure set forth in the preceding paragraph.