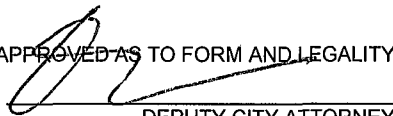


APPROVED AS TO FORM AND LEGALITY  
  
DEPUTY CITY ATTORNEY

# OAKLAND CITY COUNCIL

ORDINANCE NO. \_\_\_\_\_ C.M.S.

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**ORDINANCE LEVYING SPECIAL TAXES WITHIN  
COMMUNITY FACILITIES DISTRICT NO. 2017-1  
(BROOKLYN BASIN PUBLIC SERVICES)**

**WHEREAS**, on October 3, 2017, the City Council (“**City Council**”) of the City of Oakland (“**City**”) adopted Resolution No. 86921 C.M.S. entitled, “A RESOLUTION OF INTENTION OF THE CITY OF OAKLAND TO: ESTABLISH CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2017-1 (BROOKLYN BASIN PUBLIC SERVICES); SCHEDULE A PUBLIC HEARING; LEVY A SPECIAL TAX TO FINANCE THE MAINTENANCE OF CERTAIN PUBLIC IMPROVEMENTS; AND APPROVE A PROPOSED BOUNDARY MAP FOR COMMUNITY FACILITIES DISTRICT NO. 2017-1 PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982; AND FIND COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), EACH AS A SEPARATE AND INDEPENDENT BASIS, CEQA GUIDELINE SECTIONS 15162 SUBSEQUENT ENVIRONMENTAL IMPACT REPORTS (EIRS) AND NEGATIVE DECLARATIONS, 15183 PROJECTS CONSISTENT WITH A COMMUNITY PLAN, GENERAL PLAN, OR ZONING, 15301 EXISTING FACILITIES; AND SECTION 15308 ACTIONS BY REGULATORY AGENCIES FOR PROTECTION OF THE ENVIRONMENT” (“**Resolution of Intention**”) wherein it declared its intention to establish a community facilities district to be known as “Community Facilities District No. 2017-1 (Brooklyn Basin Public Services)” (“**CFD No. 2017-1**”) and to levy an annual special tax (“**Special Tax**”) to pay the costs of certain public services pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Government Code section 53311 *et seq.*) (the “**Act**”); and

**WHEREAS**, the Resolution of Intention incorporated by reference a map of the proposed boundaries of CFD No. 2017-1 (the “**Boundary Map**,” attached as Exhibit 4 to the Resolution of Intention), described the maintenance and administrative costs eligible to be funded by CFD No. 2017-1 (collectively “**Services**,” attached as Exhibit 2 to the Resolution of Intention), and the rate and apportionment of the Special Tax to be levied within CFD No. 2017-1 (“**Rate and Method of Apportionment**,” attached as Exhibit 3 to the Resolution of Intention) to pay for such Services. The Resolution of Intention and all of its attachments are on file with the City Clerk of the City of Oakland (“**City Clerk**”) and the provisions thereof are incorporated herein by this reference as if fully set forth in this Ordinance; and

**WHEREAS**, on November 7, 2017, the City Council conducted a public hearing on the formation of the CFD, determined that a majority protest under Section 53324 of the Act was not made at the hearing, and adopted Resolution No. \_\_\_\_\_ C.M.S., a Resolution of Formation, pursuant to Section 53325.1 of the Act, thereby completing its proceedings for formation of the proposed CFD 2017-1. The Resolution of Formation is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth in this Ordinance; and

**WHEREAS**, on November 7, 2017, following adoption of the Resolution of Formation, the Council adopted Resolution No. \_\_\_\_\_ C.M.S. calling an election within CFD No. 2017-1 on the proposition of levying the Special Tax within CFD No. 2017-1; and

**WHEREAS**, on November 7, 2017 an election was held within CFD No. 2017-1 in which the qualified electors unanimously approved the levy of the Special Tax; now, therefore

**THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

1. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this Ordinance.
2. The City Council hereby authorizes the levy of the Special Tax within CFD No. 2017-1, pursuant to the Act, in accordance with the Rate and Method of Apportionment incorporated by reference in Exhibit 3 of the Resolution of Intention and as approved by the Resolution of Formation.
3. The Special Tax is hereby levied commencing in the first fiscal year indicated in the Rate and Method of Apportionment and in each fiscal year thereafter, adjusted as provided for in the Rate and Method of Apportionment.
4. The City Administrator or its designee ("Administrator") is hereby authorized and directed for each fiscal year to determine the Special Tax rate and amount to be levied for each parcel of real property within CFD No. 2017-1, in the manner and as provided in the Rate and Method of Apportionment.
5. Properties or entities of the State, federal or local government shall be exempt from any levy of the Special Tax to the extent exempted by law in addition to other exempt properties described in the Rate and Method of Apportionment.
6. The Special Tax shall be used to pay for the costs of the Services, a description of which is incorporated by reference in Exhibit 2 of the Resolution of Intention, including the costs of collecting the Special Tax and administering CFD No. 2017-1 and incidental expenses pursuant to the Act.
7. The Special Tax shall be collected from time to time as necessary to meet the financial obligations of CFD No. 2017-1 on the secured real property tax roll in the same manner as ordinary ad valorem taxes are collected. The Special Tax shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in case of delinquency as is provided for ad valorem taxes. The Administrator is hereby authorized and directed to provide all necessary information to the Treasurer/Tax Collector of Alameda County and to otherwise take all actions necessary in order to effect proper

billing and collection of the Special Tax, so that the Special Tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of CFD No. 2017-1 in each fiscal year.

8. Notwithstanding the foregoing, the Administrator may collect one or more installments of the Special Tax on any one or more parcels in CFD No. 2017-1 by means of direct billing by the City of the property owners of CFD No. 2017-1, if in the judgment of the Administrator, such means of collection will reduce the administrative burden on the City in administering CFD No. 2017-1 or is otherwise appropriate.
9. If for any reason any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD No. 2017-1 by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Tax to the remaining parcels within CFD No. 2017-1 shall not be affected.
10. The Clerk shall attest to the adoption of this Ordinance and cause it to be published within fifteen (15) days after its passage at least once in the Oakland Tribune, a newspaper of general circulation published and circulated in the area of CFD No. 2017-1.
11. This Ordinance is adopted pursuant to Section 53340 of the Act and shall be effective immediately upon passage if approved by six or more Councilmembers; otherwise, it shall be effective on the seventh day following adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2017

**PASSED BY THE FOLLOWING VOTE:**

AYES-           BROOKS, CAMPBELL-WASHINGTON, GALLO, GIBSON MCELHANEY,  
                  GUILLÉN, KALB, KAPLAN AND PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
                  LaTonda Simmons  
                  City Clerk and Clerk of the Council  
                  City of Oakland, California

DATE OF ATTESTATION:  
\_\_\_\_\_

**CERTIFICATE OF THE CITY CLERK**

I, La Tonda Simmons, City Clerk and Clerk of the City Council of the City of Oakland (the "City"), hereby certify that the foregoing is a full, true and correct copy of Ordinance No. \_\_\_\_\_ C.M.S., duly adopted at a meeting of the City Council of the City duly and regularly held on \_\_\_\_\_, 2017, of which meeting all of said City Council had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a true, complete and correct copy of the original ordinance duly adopted at said meeting and entered in said minutes; and that said ordinance has not been modified, amended, rescinded or revoked except as provided in such ordinance in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate this \_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the City Council  
City of Oakland, California

**CERTIFICATE RE LAND OWNERSHIP**

**City of Oakland Community Facilities District No. 2017-1  
(Brooklyn Basin Public Services)**

In connection with the City of Oakland Community Facilities District No. 2017-1 (Brooklyn Basin Public Services) (the "District"), the undersigned hereby certifies that the attached Schedule 1 correctly provides (i) a complete list of the landowners of record owning property within the District, (ii) the parcels of land owned by each such landowner, and (iii) the number of votes to which each landowner is entitled to cast in the special mailed ballot election for the qualified electors of Community Facilities District No. 2017-1, to be conducted on November 7, 2017.

IN WITNESS WHEREOF, I have executed this certificate this 7<sup>th</sup> day of November, 2017.

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William Gilchrist, Director  
Planning and Building Department  
City of Oakland, California

### Schedule 1

Parcel Reference	APN	Owner Name	Acreage	Votes
Parcel M	018-0430-001-14	Zarsion-OHP I, LLC	2.46	3
Parcel L & K	018-0460-004-11	Zarsion-OHP I, LLC	3.28	4
Parcel H & J	018-0460-004-06	Zarsion-OHP I, LLC	4.22	5
Portion of Parcel H	018-0465-002-10	Zarsion-OHP I, LLC		
Parcel D & E	018-0460-004-08	Zarsion-OHP I, LLC	2.49	3
Parcel D & E	018-0465-002-12	Zarsion-OHP I, LLC		
Portion of Parcel D	018-0465-002-06	Zarsion-OHP I, LLC		
Parcel B	018-0465-013-00	250 Ninth Avenue Partners, LLC	1.54	2
Parcel C	018-0465-014-00	Zarsion BBC, LLC	1.44	2
Portion of Eight and Ninth Avenue	018-0460-004-10	Zarsion-OHP I, LLC	1.19	2
Portion of Ninth Avenue	018-0465-002-15	Zarsion-OHP I, LLC		
Portion of Eight Avenue	018-0465-002-27	Zarsion-OHP I, LLC		
Portion of Ninth Avenue	018-0465-002-29	Zarsion-OHP I, LLC		
Parcel G	018-0465-002-30	Zarsion-OHP I, LLC	2.70	3
Parcel F	018-0465-002-18	The City of Oakland	1.73	
Parcel F	018-0465-002-20	The City of Oakland		
Parcel T	018-0465-002-24	The City of Oakland	0.49	
Parcel A	018-0465-012-00	The City of Oakland	2.31	
			Total Votes:	24

RECORDING REQUESTED BY AND  
AFTER RECORDATION RETURN TO:  
City Clerk  
City of Oakland  
1 Frank H. Ogawa Plaza  
Oakland, CA 94612

**NOTICE OF SPECIAL TAX LIEN**

**City of Oakland  
Communities Facilities District No. 2017-1  
(Brooklyn Basin Public Services)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned City Clerk of the legislative body of the City of Oakland, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the City Council of the City of Oakland of the County of Alameda, State of California. The special tax secured by this lien is authorized to be levied for the purpose of paying for the full cost and all direct and incidental costs related to the provision of public services and the maintenance, operation, repair, and replacement costs of certain public infrastructure within the above-referenced Community Facilities District (the "District") as described on Exhibit A, including, but not limited to, expenses of the administration of the District.

The special tax is authorized to be levied within the District that has now been officially formed, and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit B attached hereto and hereby made a part hereof. No provision has been made for the prepayment of the special tax.

Notice is further given that, upon the recording of this notice in the office of the County Recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the District in accordance with Section 3115.5 of the California Streets and Highways Code.

The names of the owners and the assessor's tax parcels numbers of the real property included within the District are as set forth in Exhibit C attached hereto and hereby made a part hereof.

Reference is made to the boundary map of the District recorded at Book 18 of Maps of Assessment and Community Facilities Districts at Page 85, in the office of the County Clerk-Recorder for the County of Alameda, State of California, which is now the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Office of the City Administrator of the City of Oakland, 1 Frank H. Ogawa Plaza, Oakland, CA 94612, telephone number (510) 238-3301.

Dated: \_\_\_\_\_, 2017

By: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the City Council  
City of Oakland, California



## EXHIBIT A

### CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2017-1 (BROOKLYN BASIN PUBLIC SERVICES)

#### DESCRIPTION OF SERVICES TO BE FINANCED BY THE CFD

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##### Services

The services to be funded, in whole or in part, by the City of Oakland Community Facilities District No. 2017-1 (Brooklyn Basin Public Services) ("CFD" or "District") include the full cost of all direct and incidental costs related to providing public services and maintenance, operation, repair, or replacement of certain public infrastructure within the District. More specifically, the services may include, but are not limited to: (i) maintenance, repair, and replacement of parks and landscaping in public areas and in the public right of way along public streets, including, but not limited to, irrigation, tree trimming, mowing, hardscape, sidewalk, and related maintenance of equipment specific to the Brooklyn Basin facilities, and vegetation maintenance and control; (ii) operation and maintenance of street lights, street furniture, and other appurtenances; (iii) storm protection services, including, but not limited to, the operation and maintenance, repair, and replacement of storm drainage systems that are reasonably necessary for the storm water management, treatment and mitigation requirements for the District (storm water management expressly excludes gravity flow conveyance improvements (pipes, catch basins, etc.)); (iv) annual inspection and reporting obligations associated with the parks, open space areas, public rights-of-way and ground water monitoring wells as required by the applicable operations and maintenance plan and (v) any other public services authorized to be funded under Section 53313 of the California Government Code that are also stipulated as maintenance obligations pursuant to the Development Agreement dated as of August 24, 2006, as amended from time to time, relating to the Brooklyn Basin project and recorded against all of the real property covered thereby.

The CFD may fund any of the following related to the services described in the preceding paragraph: (i) obtaining, constructing, furnishing, operating, maintaining, repairing, replacing, and environmental monitoring of equipment, apparatus, or facilities related to providing the services and/or equipment, apparatus, facilities, or fixtures in areas to be maintained; (ii) paying the salaries and benefits, or consultant fees, of personnel necessary or convenient to provide the services; (iii) payment of insurance costs and other related expenses; (iv) the provision of reserves for deposit in a reserve fund to be used for repairs and replacements, particularly including decks and pilings associated with piers and marinas, the funds in which shall be used solely for repairs and replacement; and (v) administrative and incidental expenses, as described below. The services to be financed by the CFD are in addition to those provided in the territory of the CFD before the date of formation of the CFD and will not supplant services already available within that territory when the CFD is created.

### **Administrative Expenses**

The administrative expenses to be funded by the CFD include the full cost of direct and indirect expenses incurred by the City of Oakland ("City") in carrying out its duties with respect to the CFD including, but not limited to: (i) the levy and collection of the special taxes; (ii) the fees and expenses of attorneys; (iii) any fees of the County of Alameda related to the CFD or the collection of special taxes; (iv) an allocable share of the salaries and benefits of any City staff, or consultant fees, directly related thereto and a proportionate amount of the City's general administrative overhead related thereto; (v) any amounts paid by the City with respect to the CFD or the services authorized to be financed by the CFD; (vi) expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent; and (vii) all other costs and expenses of the City in any way related to the CFD.

### **Other**

The incidental expenses that may be funded by the CFD include, in addition to the administrative expenses identified above, the payment or reimbursement to the CFD of the full cost of expenses associated with the establishment and ongoing administration of the CFD.

## EXHIBIT B

### CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2017-1 (BROOKLYN BASIN PUBLIC SERVICES)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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A Special Tax shall be levied on all Assessor's Parcels in the City of Oakland Community Facilities District No. 2017-1 (Brooklyn Basin Public Services) ("CFD No. 2017-1") and collected each Fiscal Year commencing in Fiscal Year 2017-18, in an amount determined by the City Council of the City of Oakland through the application of the Rate and Method of Apportionment, as described below. All of the real property in CFD No. 2017-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### A. DEFINITIONS

The terms as may hereinafter be set forth have the following meanings:

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

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2017-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or CFD No. 2017-1 or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City or CFD No. 2017-1 related to an appeal of the Special Tax; the City's administration fees and third party expenses; the costs of City staff time and reasonable overhead related to CFD No. 2017-1; and amounts estimated or advanced by the City or CFD No. 2017-1 for any other administrative purposes of CFD No. 2017-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**"Affordable Housing Property"** means, for each Fiscal Year, all or a portion of any Assessor's Parcel within the boundaries of CFD No. 2017-1 that is subject to a deed restriction, resale restriction, or regulatory agreement recorded in favor of the City that restricts rent or prices chargeable to lower income households.

**"Airspace Parcel"** means a parcel with an assigned Assessor's Parcel Number that constitutes vertical space of an underlying land parcel.

**“Assessor’s Parcel”** means a lot or parcel, including an Airspace Parcel, shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

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

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

**“Building Department”** means a designee from the Planning and Building Department of the City or any alternate department responsible for building permit issuance, inspections, and final approval. If there is any doubt as to the responsible party, the CFD Administrator shall coordinate with the City to determine the appropriate party to serve as the Building Department for purposes of this Rate and Method of Apportionment.

**“Certificate of Occupancy”** or **“COO”** means a certificate issued by the City or a letter written by the Building Department to the CFD Administrator to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential and/or non-residential use. “Certificate of Occupancy” may include any temporary certificate of occupancy issued by the City.

**“CFD Administrator”** means an official of the City responsible for determining the Special Tax Requirement, providing for the levy and collection of the Special Tax, and performing the other duties provided for herein.

**“CFD No. 2017-1”** means City of Oakland Community Facilities District No. 2017-1 (Brooklyn Basin Public Services).

**“City”** means the City of Oakland, California.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 2017-1.

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

**“CPI”** means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco – Oakland – San Jose Area, measured as of the month of December in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the CPI shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the San Francisco – Oakland – San Jose Area.

**“Developed Property”** means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property for which a Certificate of Occupancy was issued after January 1, 2017, and on or before June 30 of the previous Fiscal Year.

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

**“For Sale Unit”** means, for each Fiscal Year, a residential dwelling unit which has been, or is deemed to be, offered for sale as part of an Initial Offering Event.

**“Initial Offering Event”** will be deemed to have occurred for all Units within a given Offering Building if, in any Fiscal Year, the CFD Administrator has determined that any Units in such Offering Building have been offered to the public for sale or rent for the first time during or following construction of the Offering Building and on or before June 30 of the previous Fiscal Year. An Initial Offering Event shall only occur once for each Offering Building and shall apply uniformly to all Units within each Offering Building, as either a for sale offering or rental offering, regardless of whether every Unit in an Offering Building was actually offered at the time of the Initial Offering Event.

**“Interim Unit”** means, for each Fiscal Year, a planned or constructed residential dwelling unit which has not been, or has not been deemed to be, offered for sale or rent as part of an Initial Offering Event.

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

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

**“Non-Residential”** means any buildings or portions of buildings that are used for or are expected to be used for a commercial lodging use, commercial retail use, institutional use (e.g., churches, private schools), commercial restaurant use, office use, or industrial use.

**“Non-Residential Property”** means, for each Fiscal Year, all or a portion of any Assessor’s Parcel of Developed Property that is used for or is expected to be used for a Non-Residential use.

**“Offering Building”** means an exclusive group of Units within a permanent, enclosed structure that is planned for or constructed on an Assessor’s Parcel of Taxable Property. An Offering Building shall consist of adjacent Units that are expected to be offered to the public at approximately the same time either exclusively for sale or exclusively for rent. An Offering Building may be physically connected to another structure or Offering Building, but each individual Offering Building will be treated separately for purposes of determining the Special Tax for each Unit within an Offering Building.

**“Property Owner Association Property”** means, for each Fiscal Year, property within the boundaries of CFD No. 2017-1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Property.

**“Public Property”** means, for each Fiscal Year, property within the boundaries of CFD No. 2017-1 that is: (a) owned by, irrevocably offered to, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency; or (b) encumbered by an easement for purposes of public right-of-way that makes impractical its use for any purpose other than that set forth in such easement, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment of Special Tax.

**“Rental Unit”** means, for each Fiscal Year, a residential dwelling unit which has been, or is deemed to be, offered for rent as part of an Initial Offering Event.

**“Residential Property”** means, for each Fiscal Year, all or a portion of any Assessor’s Parcel of Developed Property that is planned for, or constructed as, one or more Units.

**“Services”** means the services authorized to be financed, in whole or in part, by CFD No. 2017-1, including all direct and incidental costs related to providing public services and maintenance, operation, repair, or replacement of certain public infrastructure within the Brooklyn Basin project area.

**“Special Tax”** means the special tax authorized by the qualified electors of CFD No. 2017-1 to be levied within the boundaries of CFD No. 2017-1.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to pay the cost of the Services, Administrative Expenses, and an amount equal to Special Tax delinquencies based on the historical delinquency rate for Special Taxes, as determined by the CFD Administrator.

**“Square Footage”** or **“Sq. Ft.”** means the gross leasable square footage of a Non-Residential Property as reflected on a building permit or Certificate of Occupancy issued by the City, a lease agreement, or other such document.

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

**“Taxable Property”** means, for each Fiscal Year, all Assessor’s Parcels within the boundaries of CFD No. 2017-1 which are not exempt from the Special Tax pursuant to law or Section E below.

**“Unit”** means a For Sale Unit, Interim Unit, or Rental Unit.

**B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, beginning with Fiscal Year 2017-18, the CFD Administrator shall identify the current Assessor's Parcel Numbers for all Taxable Property and Affordable Housing Property within CFD No. 2017-1. The CFD Administrator shall then identify all Developed Property by working with the Building Department to catalog all COOs issued on Taxable Property on or before June 30 of the prior Fiscal Year. Subsequently, all Developed Property shall be classified as Residential Property or Non-Residential Property. The CFD Administrator shall also determine: (i) the number of Units assigned to each Offering Building, which may include Units that can be classified as Affordable Housing Property; (ii) the current Assessor's Parcel Number associated with each Unit and Non-Residential Property; and (iii) the Square Footage of Non-Residential Property.

On or about July 1 of each Fiscal Year, the CFD Administrator shall determine whether an Initial Offering Event has occurred for any Offering Building, and if so, whether any Units within such Offering Building were offered for rent or for sale. After making these determinations, the CFD Administrator shall further classify each Unit of Residential Property as a For Sale Unit, Interim Unit, or Rental Unit. Once a residential dwelling unit has been classified as a For Sale Unit or a Rental Unit, it may not be reclassified in future Fiscal Years.

The CFD Administrator may make any determination in this Section B by using any reasonable source of information, including: a building permit issued by the City; an Assessor's Parcel Map; ownership information as reflected on the rolls of the County Assessor; a lease agreement; a close of escrow date; or any other relevant information as determined by the CFD Administrator.

**C. MAXIMUM SPECIAL TAX**

The Maximum Special Tax for each Assessor's Parcel classified as Taxable Property shall be determined by reference to Table 1 below.

**TABLE 1  
MAXIMUM SPECIAL TAX**

<b>Land Use Class</b>	<b>Maximum Special Tax Fiscal Year 2017-18</b>
<b>Residential Property:</b>	
For Sale Unit	\$1,023 per Unit
Rental Unit	\$902 per Unit
Interim Unit	\$902 per Unit
<b>Non-Residential Property</b>	<b>\$0.90 per Sq. Ft.</b>

Beginning July 1, 2018, and each July 1 thereafter, the Maximum Special Tax shall be subject to an automatic increase at a rate equal to the greater of: (i) the percentage increase from the prior Fiscal Year, if any, in the CPI; or (ii) 4.8% of the amount in effect for the prior Fiscal Year.

In some instances an Assessor's Parcel of Taxable Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Units of Residential Property and Square Footage of Non-Residential Property located on that Assessor's Parcel.

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

Each Fiscal Year, beginning with Fiscal Year 2017-18, the CFD Administrator shall determine the Special Tax Requirement. The Special Tax shall then be levied Proportionately on each Assessor's Parcel of Taxable Property up to 100% of the applicable Maximum Special Tax for such Assessor's Parcel, or until the Special Tax Requirement is satisfied, whichever is less.

**E. EXEMPTIONS**

Notwithstanding anything in this Rate and Method of Apportionment to the contrary, no Special Tax shall be levied on Public Property or Property Owner Association Property. Additionally, no Special Tax shall be levied on up to 465 Units of Affordable Housing Property. Tax-exempt status will be assigned to Units of Affordable Housing Property in the chronological order in which property becomes Affordable Housing Property. However, should a Unit no longer be classified as Affordable Housing Property, its tax-exempt status will be revoked.

**F. APPEALS**

Any property owner may file a written appeal of the Special Tax with CFD No. 2017-1 claiming that the amount or application of the Special Tax is not correct. 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 Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the 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 Council requires the Special Tax to be



modified or changed in favor of the property owner, then the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Tax levy(ies).

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. 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, however, that the Special Taxes may be collected in such other manner as the City Council shall determine, including direct billing of affected property owners.

**H. TERM OF SPECIAL TAX**

The Special Tax shall continue to be levied indefinitely on an annual basis on all Taxable Property in CFD No. 2017-1.

**I. INTERPRETATION OF SPECIAL TAX FORMULA**

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

## EXHIBIT C

### CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2017-1 (BROOKLYN BASIN PUBLIC SERVICES)

#### LIST OF OWNERS AND APNs

Parcel Reference	APN	Owner Name	Acreage
Parcel M	018-0430-001-14	Zarsion-OHP I, LLC	2.46
Parcel L & K	018-0460-004-11	Zarsion-OHP I, LLC	3.28
Parcel H & J	018-0460-004-06	Zarsion-OHP I, LLC	4.22
Portion of Parcel H	018-0465-002-10	Zarsion-OHP I, LLC	
Parcel D & E	018-0460-004-08	Zarsion-OHP I, LLC	2.49
Parcel D & E	018-0465-002-12	Zarsion-OHP I, LLC	
Portion of Parcel D	018-0465-002-06	Zarsion-OHP I, LLC	0.13
Parcel B	018-0465-013-00	250 Ninth Avenue Partners, LLC	1.54
Parcel C	018-0465-014-00	Zarsion BBC, LLC	1.44
Portion of Eight and Ninth Avenue	018-0460-004-10	Zarsion-OHP I, LLC	1.19
Portion of Ninth Avenue	018-0465-002-15	Zarsion-OHP I, LLC	
Portion of Eight Avenue	018-0465-002-27	Zarsion-OHP I, LLC	
Portion of Ninth Avenue	018-0465-002-29	Zarsion-OHP I, LLC	
Parcel G	018-0465-002-30	Zarsion-OHP I, LLC	2.70
Parcel F	018-0465-002-18	The City of Oakland	1.73
Parcel F	018-0465-002-20	The City of Oakland	
Parcel T	018-0465-002-24	The City of Oakland	0.49
Parcel A	018-0465-012-00	The City of Oakland	2.31