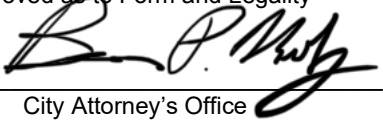


BY: 
City Attorney's Office

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE LEVYING SPECIAL TAXES WITHIN THREE IMPROVEMENT AREAS IN THE CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2021-1 (OAK KNOLL FACILITIES AND SERVICES), AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, as amended (Act), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code, the City Council is authorized to establish a community facilities district (CFD) and to act as the legislative body for a CFD; and

WHEREAS, on October 5, 2021, the City Council adopted a resolution entitled “A Resolution of the City Council of Intention to Establish a Community Facilities District, Three Improvement Areas, and a Future Annexation Area to Finance Public Improvements and Public Services for the Oak Knoll Project, and Making Findings under the California Environmental Quality Act (CEQA)” (Resolution of Intention to Establish), stating its intention to form the CFD with the name “City of Oakland Community Facilities District No. 2021-1 (Oak Knoll Facilities and Services)”, the three improvement areas identified below in the CFD (Improvement Areas) and a future annexation area for the CFD (Future Annexation Area), pursuant to the Act, for the purpose of financing certain public improvements (Facilities) and public services (Services), as further provided in the Resolution of Intention to Establish:

- (i) “Improvement Area No. 1 of the City of Oakland Community Facilities District No. 2021-1 (Oak Knoll Facilities and Services)” (Improvement Area No. 1).
- (ii) “Improvement Area No. 2 of the City of Oakland Community Facilities District No. 2021-1 (Oak Knoll Facilities and Services)” (Improvement Area No. 2).
- (iii) “Improvement Area No. 3 of the City of Oakland Community Facilities District No. 2021-1 (Oak Knoll Facilities and Services)” (Improvement Area No. 3); and

WHEREAS, on October 5, 2021, the City Council also adopted a resolution entitled “A Resolution of the City Council of Intention to Incur Bonded and Other Indebtedness for the Oak Knoll Project Community Facilities District, and Making Findings under the California Environmental Quality Act” (Resolution of Intention to Incur Indebtedness), stating its intention

to incur bonded indebtedness and other debt (as defined in the Act) within the boundaries of the CFD and the Improvement Areas for the purpose of financing the costs of the Facilities; and

WHEREAS, on November 16, 2021, after holding noticed public hearings, the City Council adopted (i) a resolution entitled “A Resolution of the City Council of Formation of a Community Facilities District, Three Improvement Areas and a Future Annexation Area to Finance Public Improvements and Public Services for the Oak Knoll Project, and Making Findings under the California Environmental Quality Act (CEQA)” (Resolution of Formation) and (ii) a resolution entitled “A Resolution of the City Council Determining the Necessity to Incur Bonded and Other Indebtedness for the Oak Knoll Project Community Facilities District, and Making Findings under the Environmental Quality Act (CEQA)” (Resolution Determining Necessity); and

WHEREAS, pursuant to the Resolution of Formation and the Act, the City Council established the CFD, the Improvement Areas and the Future Annexation Area, and authorized the levy of special taxes on property within each Improvement Area according to the rate and method of apportionment (each, a Rate and Method; together, the Rate and Methods) for each Improvement Area shown in the following exhibits to the Resolution of Formation, which Resolution of Formation and Rate and Methods are by this reference incorporated herein:

(i) Exhibit B-1: “Rate, Method of Apportionment, and Manner of Collection of Special Tax (Facilities Special Tax) for Improvement Area No. 1” (IA No. 1 Facilities RMA).

(ii) Exhibit B-2: “Rate, Method of Apportionment, and Manner of Collection of Special Tax (Facilities Special Tax) for Improvement Area No. 2” (IA No. 2 Facilities RMA).

(iii) Exhibit B-3: “Rate, Method of Apportionment, and Manner of Collection of Special Tax (Facilities Special Tax) for Improvement Area No. 3” (IA No. 3 Facilities RMA).

(iv) Exhibit B-4: “Rate, Method of Apportionment, and Manner of Collection of Special Tax (Services Special Tax) for all of the Improvement Areas” (Services RMA); and

WHEREAS, the IA No. 1 Facilities RMA provides for the levy of a Facilities Special Tax in Improvement Area No. 1; and

WHEREAS, the IA No. 2 Facilities RMA provides for the levy of a Facilities Special Tax in Improvement Area No. 2; and

WHEREAS, the IA No. 3 Facilities RMA provides for the levy of a Facilities Special Tax in Improvement Area No. 3; and

WHEREAS, the Services RMA provides for the levy of a Services Special Tax in the Improvement Areas (together, the Facilities Special Taxes and the Services Special Taxes described in the Rate and Methods are referred to herein as Special Taxes); and

WHEREAS, pursuant to the Resolution of Formation and the Act, the City Council further preliminarily established an appropriations limit for the CFD; and

WHEREAS, in the Resolution Determining Necessity, the City Council determined the necessity to incur bonded indebtedness in the maximum aggregate principal amounts set forth below for each Improvement Area upon the security of the Facilities Special Taxes to be levied within such Improvement Area pursuant to the Act:

- (a) Improvement Area No. 1: \$45,000,000
- (b) Improvement Area No. 2: \$50,000,000
- (c) Improvement Area No. 3: \$55,000,000; and

WHEREAS, in the Resolution Determining Necessity, the City Council also determined the necessity to incur other debt as defined in the Act; and

WHEREAS, also on November 16, 2021, under the provisions of the Resolution of Formation and the Resolution of Necessity and pursuant to “A Resolution of the City Council Calling Special Elections for Three Improvement Areas in the Community Facilities District for the Oak Knoll Project, and Making Findings under the California Environmental Quality Act (CEQA)” (Election Resolution), the City Council submitted the propositions of the levy of the Special Taxes, the establishment of the appropriations limit for the CFD and the incurring of the bonded indebtedness and other debt (as defined in the Act) to the qualified electors of the Improvement Areas as required by the provisions of the Act; and

WHEREAS, on November 16, 2021, a special election was held within each of the Improvement Areas at which the eligible landowner-electors approved such propositions by the two-thirds vote required by the Act; and

WHEREAS, the proposed CFD consists of an approximately 183-acre site at the former Oak Knoll Naval Medical Center that is entitled for development of 918 residential units, more than 84 acres of parks and open space and more than 72,000 square feet of neighborhood serving commercial space (Project); and

WHEREAS, Staff made findings under the California Environmental Quality Act (CEQA) that: (1) no supplemental or subsequent environmental review is required for the Project pursuant to CEQA Guidelines sections 15162 and 15163 because the formation of the CFD carries out the requirements of the Project and (2) the formation of the CFD is also exempt under CEQA Guidelines sections 15183, 15301, and 15308; now, therefore,

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

SECTION 1. With respect to Improvement Area No. 1, by the passage of this Ordinance, the City Council hereby authorizes and levies the Facilities Special Tax described in the IA No. 1 Facilities RMA within Improvement Area No. 1, including any parcels in the Future Annexation Area that are annexed into Improvement Area No. 1, pursuant to the Act, at the rate

and in accordance with the IA No. 1 Facilities RMA. With respect to Improvement Area No. 1, the Facilities Special Tax described in the IA No. 1 Facilities RMA is hereby levied commencing in fiscal year 2022-23 and in each fiscal year thereafter for as long as it is needed to pay Annual Facilities Costs (as defined in the IA No. 1 Facilities RMA); however, in no event shall the Facilities Special Tax described in the IA No. 1 Facilities RMA be levied on any Parcel in Improvement Area No. 1 after Fiscal Year 2069-70.

SECTION 2. With respect to Improvement Area No. 2, by the passage of this Ordinance, the City Council hereby authorizes and levies the Facilities Special Tax described in the IA No. 2 Facilities RMA within Improvement Area No. 2, including any parcels in the Future Annexation Area that are annexed into Improvement Area No. 2, pursuant to the Act, at the rate and in accordance with the IA No. 2 Facilities RMA. With respect to Improvement Area No. 2, the Facilities Special Tax described in the IA No. 2 Facilities RMA is hereby levied commencing in fiscal year 2022-23 and in each fiscal year thereafter for as long as it is needed to pay Annual Facilities Costs (as defined in the IA No. 2 Facilities RMA); however, in no event shall the Facilities Special Tax described in the IA No. 2 Facilities RMA be levied on any Parcel in Improvement Area No. 2 after Fiscal Year 2069-70.

SECTION 3. With respect to Improvement Area No. 3, by the passage of this Ordinance, the City Council hereby authorizes and levies the Facilities Special Tax described in the IA No. 3 Facilities RMA within Improvement Area No. 3, including any parcels in the Future Annexation Area that are annexed into Improvement Area No. 3, pursuant to the Act, at the rate and in accordance with the IA No. 3 Facilities RMA. With respect to Improvement Area No. 3, the Special Tax described in the IA No. 3 Facilities RMA is hereby levied commencing in fiscal year 2022-23 and in each fiscal year thereafter for as long as it is needed to pay Annual Facilities Costs (as defined in the IA No. 3 Facilities RMA); however, in no event shall the Facilities Special Tax described in the IA No. 3 Facilities RMA be levied on any Parcel in Improvement Area No. 3 after Fiscal Year 2069-70.

SECTION 4. With respect to each of Improvement Area No. 1, Improvement Area No. 2 and Improvement Area No. 3, by the passage of this Ordinance, the City Council hereby authorizes and levies the Services Special Tax described in the Services RMA within each of Improvement Area No. 1, Improvement Area No. 2, and Improvement Area No. 3, including any parcels in the Future Annexation Area that are annexed into each of Improvement Area No. 1, Improvement Area No. 2 and Improvement Area No. 3, pursuant to the Act, at the rate and in accordance with the Services RMA. The Services Special Tax described in the Services RMA will be levied and collected for as long as it is needed to pay Annual Costs (as defined in the Services RMA). The City expects to levy the Services Special Tax on a perpetual basis.

SECTION 5. With respect to each Improvement Area, the City Administrator or their designee is hereby authorized and directed each fiscal year to determine the rate and amount of the Special Taxes to be levied for the next ensuing fiscal year for each parcel of real property within the Improvement Area, in the manner and as provided in the Resolution of Formation and the applicable Rate and Methods.

SECTION 6. With respect to each Improvement Area, (a) properties or entities of the State, federal or local governments shall be exempt from any levy of the Special Taxes, except as provided in the applicable Rate and Methods and (b) other parcels shall be exempt from the levy of the Special Taxes as provided in the applicable Rate and Methods. With respect to each Improvement Area, in no event shall the Special Taxes be levied on any parcel within the Improvement Area (including any parcel in the Future Annexation Area that is annexed into the Improvement Area) in excess of the maximum Special Taxes specified in the Resolution of Formation.

SECTION 7. With respect to each Improvement Area, all of the collections of the Special Taxes shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of principal and interest on the Bonds, the replenishment of the reserve fund for the Bonds, the payment of the costs of the Facilities and the Services, the payment of the costs of the City in administering the Improvement Area, and the costs of collecting and administering the Special Taxes.

SECTION 8. With respect to each Improvement Area, the Special Taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the City Council may provide for other appropriate methods of collection by resolutions of the City Council. In addition, with respect to each Improvement Area, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments. With respect to each Improvement Area, the City Administrator or their designee is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Alameda in order to effect proper billing and collection of the Special Taxes, so that the Special Taxes shall be included on the secured property tax roll of the County of Alameda for fiscal year 2022-23 and for each fiscal year thereafter authorized by the Rate and Methods.

SECTION 9. If for any reason any portion of this Ordinance is found to be invalid, or if the Special Taxes are found inapplicable to any particular parcel within an Improvement Area, by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Taxes to the remaining parcels within the Improvement Areas (including any parcels in the Future Annexation Area that are annexed into the Improvement Areas) shall not be affected.

SECTION 10. The City Council hereby adopts Staff's findings under CEQA that: (1) no supplemental or subsequent environmental review is required for the Project pursuant to CEQA Guidelines sections 15162 and 15163 because the formation of the CFD carries out the requirements of the Oak Knoll Project and (2) the formation of the CFD is also exempt under CEQA Guidelines sections 15183, 15301, and 15308.

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SECTION 11. This Ordinance shall take effect 30 days from the date of final passage.

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS

ATTEST: _____

ASHA REED
City Clerk and Clerk of the City Council of the City
of Oakland, California

NOTICE AND DIGEST

**ORDINANCE LEVYING SPECIAL TAXES WITHIN
THREE IMPROVEMENT AREAS IN THE CITY OF
OAKLAND COMMUNITY FACILITIES DISTRICT NO.
2021-1 (OAK KNOLL FACILITIES AND SERVICES), AND
MAKING FINDINGS UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT (CEQA)**

This Ordinance establishes the City's ability to levy special taxes within the three improvements areas within the City of Oakland Community Facilities District 2021-1 (Oak Knoll Facilities and Services).