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OFFICE OF THE CITY CLERK
OAKLAND

APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. 89863 C.M.S.

A RESOLUTION OF THE CITY COUNCIL DECLARING THE INTENTION TO ESTABLISH CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2023-1 (BROOKLYN BASIN FACILITIES AND SERVICES) AND LEVY SPECIAL TAXES TO FINANCE PUBLIC IMPROVEMENTS AND PUBLIC SERVICES FOR THE UPDATED BROOKLYN BASIN PROJECT; APPROVING A PROPOSED BOUNDARY MAP FOR COMMUNITY FACILITIES DISTRICT NO. 2023-1; AND ADOPTING APPROPRIATE FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Oakland (the “City”) approved a development now known as Brooklyn Basin (and formerly known as the Oak-to-Ninth Avenue Mixed Use Development) on approximately 64.2 acres of land area (and 7.95 acres of water surface area) along the Oakland Estuary, which included up to 3,100 residential units, up to 200,000 square feet of commercial space, a minimum of 3,534 parking spaces, approximately 31 acres of open space, two renovated marinas, as well as shoreline improvements, new roads, and other infrastructure and improvement (the “Original Brooklyn Basin Project”); and

WHEREAS, the City, as an original party and as successor to the Redevelopment Agency of the City of Oakland, and Zarsion-OHP I, LLC, a California limited liability company (“Developer”), as successor by assignment from Oakland Harbor Partners, LLC, are parties to that certain Development Agreement, dated August 24, 2006, approved by Ordinance No. 12760 C.M.S. adopted on July 18, 2006, related to development of the Original Brooklyn Basin Project (as amended and assigned, the “Development Agreement”); and

WHEREAS, the Development Agreement required the formation of a community facilities district for the Original Brooklyn Basin Project; and

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, as amended (Government Code Section 53311 et seq.) (“Act”), the City Council is authorized to establish a community facilities district and to act as the legislative body for a community facilities district; and

WHEREAS, in accordance with the Development Agreement, the City Council previously established City of Oakland Community Facilities District No. 2017-1 (Brooklyn Basin Public

Services) (“CFD No. 2017-1”) pursuant to Resolution No. 86960 C.M.S. to provide funds to maintain certain public parks and other public improvements; and

WHEREAS, CFD No. 2017-1 includes all of the taxable property that will be developed as the Original Brooklyn Basin Project, including Phases I-IV; and

WHEREAS, on May 16, 2023 the City Council adopted Ordinance No. 13789 C.M.S., which approved a Third Amendment to the Development Agreement, which together with the related additional entitlements approved by the City Council, permits the development of an additional six hundred (600) residential units within the Original Brooklyn Basin Project (the “Updated Brooklyn Basin Project”); and

WHEREAS, Section 4.13 of the Development Agreement permits the Developer to request the City to use any public financing method available for the Original Brooklyn Basin Project and/or the Updated Brooklyn Basin Project; and

WHEREAS, certain property owners of the Updated Brooklyn Basin Project have submitted a written petition to the City Council asking the City Council to (1) establish a new City of Oakland Community Facilities District No. 2023-1 (Brooklyn Basin Facilities and Services) (“CFD No. 2023-1”) to finance costs of public infrastructure and certain public services necessary or incident to development of the Updated Brooklyn Basin Project, (2) include the taxable properties in a portion of Phase I and in Phases II-IV of the Updated Brooklyn Basin Project in CFD No.2023-1, and (3) cease levying the CFD No. 2017-1 special tax on the taxable properties in that portion of Phase I and all of Phases II-IV of the Updated Brooklyn Basin Project and extinguish the related lien; and

WHEREAS, the City Council proposes to conduct proceedings to establish CFD No. 2023-1 pursuant to the Act; and

WHEREAS, the City Council further intends to undertake separate proceedings to cease levying the CFD No. 2017-1 special tax on the taxable properties in a portion of Phase I and in Phases II-IV of the Updated Brooklyn Basin Project and extinguish the related lien, subject to completion of formation of CFD No. 2023-1 and recordation in the official records of Alameda County, California (“Official Records”) by the City Clerk of a notice of special tax lien for CFD No. 2023-1 that imposes a lien to secure payment of the special taxes to be levied in the CFD No. 2023-1 on the taxable properties in a portion of Phase I and all of Phases II-IV of the Updated Brooklyn Basin Project, with the remaining portion of Phase I remaining subject to special taxes levied in CFD No. 2017-1; and

WHEREAS, the Original Brooklyn Basin Project was analyzed under the certified 2009 Brooklyn Basin Environmental Impact Report (“2009 EIR”), which is comprised of the following documents: Oak to Ninth Avenue Project Draft EIR, August 2005; Oak to Ninth Avenue Project, 2006 Addendum #1 to the Certified Environmental Impact Report, June 7, 2006; Oak to Ninth Avenue Project Final EIR, August 2006; Revisions to the Analysis in the Oak to Ninth Project EIR (SCH. No. 2004062013) Prepared to Comply with the Alameda County Superior Court Order Case No. RG06-280345 and Case No. RG06-280471, November 2008; Oak to Ninth Avenue Project

Reponses to Comments on the Revisions, December 2008; and City of Oakland Resolution No. 81769 C.M.S., approved January 20, 2009; and

WHEREAS, in accordance with Public Resources Code Section 21166 and California Environmental Quality Act (“CEQA”) Guidelines Sections 15162 and 15163, the City examined whether the additional 600 units proposed in the Updated Brooklyn Basin Project would result in “substantial changes” that would trigger the need for a major modification to the previously certified 2009 EIR due to a new significant impact or a substantial increase in the severity of previously identified significant impacts. An Initial Study was not prepared for the Updated Brooklyn Basin Project, as authorized under Section 15060(d) of the CEQA Guidelines. The City, as the Lead Agency, determined that a Supplemental Environmental Impact Report (SEIR) for the Updated Brooklyn Basin Project would be required; and

WHEREAS, as further set forth in the City’s Resolution No. 89707 C.M.S., adopted on May 2, 2023 certifying the SEIR, the Updated Brooklyn Basin Project did not identify any new or more severe potentially significant or significant and unavoidable impacts than analyzed in the previous 2009 EIR for the Original Brooklyn Basin Project; and

WHEREAS, in accordance with CEQA Guidelines sections 15162 and 15163, the City hereby finds that, based on substantial evidence in the record, this action does not represent a substantive change to the Updated Brooklyn Basin Project and thus none of the circumstances necessitating preparation of a subsequent or supplemental Environmental Impact Report are present. In addition, each as a separate and independent basis, this action is otherwise exempt from CEQA review under CEQA Guidelines section 15183 (projects consistent with a community plan, general plan or zoning), 15301 (existing facilities), and 15308 (actions by regulatory agencies for the protection of the environment); and, now, therefore be it

RESOLVED, That the City Council proposes to conduct proceedings to establish CFD No. 2023-1 pursuant to the Act; and be it

FURTHER RESOLVED, That the name proposed for CFD No. 2023-1 is “City of Oakland Community Facilities District No. 2023-1 (Brooklyn Basin Facilities and Services)”; and be it

FURTHER RESOLVED, That the boundaries of the proposed CFD No. 2023-1 are as shown on the map of them on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the proposed CFD No. 2023-1 in the Official Records within fifteen (15) days of the date of adoption of this Resolution; and be it

FURTHER RESOLVED, That the type of public facilities proposed to be financed by the proposed CFD No. 2023-1 pursuant to the Act shall consist of those listed as facilities on Exhibit A hereto and hereby incorporated herein (“Facilities”). The City Council hereby determines that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring within the Updated Brooklyn Basin Project; and be it

FURTHER RESOLVED, That the City Council hereby finds and determines that the public interest will not be served by allowing the property owners in the proposed CFD No. 2023-1 to enter into a contract in accordance with Section 53329.5(a) of the Act. Notwithstanding the foregoing, the City Council, on behalf of the proposed CFD No. 2023-1, may enter into one or more contracts directly with any of the property owners with respect to the construction and/or acquisition of any portion of the Facilities; and be it

FURTHER RESOLVED, That the type of services proposed to be financed by the proposed CFD No. 2023-1 and pursuant to the Act shall consist of those listed in Exhibit A hereto and hereby incorporated herein (“Services”). The Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within the Updated Brooklyn Basin Project. The Services are in addition to those provided in the territory of the proposed CFD No. 2023-1 as of the date hereof and will not supplant services already available within the territory of the proposed CFD No. 2023-1 as of the date hereof; and be it

FURTHER RESOLVED, That, except to the extent that funds are otherwise available, the City will levy special taxes (“Special Taxes”) to pay directly for the Facilities and/or pay the principal and interest on bonds of the City issued to finance the Facilities and to pay for the Services. The Special Taxes will be secured by recordation of a continuing lien against all non-exempt real property in CFD No. 2023-1, will be levied annually within CFD 2023-1, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as the City Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Taxes among the parcels of real property within CFD No, 2023-1 in sufficient detail to allow each landowner within CFD No. 2023-1 to estimate the maximum amount such owner will have to pay, are described in the Exhibit B hereto and hereby incorporated herein (“Rate and Method”); and be it

FURTHER RESOLVED, That without City Council approval, the City Administrator may make minor, non-substantive administrative and technical changes to the provisions of the Rate and Method in the circumstances described in the Rate and Method; and be it

FURTHER RESOLVED, That the Special Tax to finance Facilities (“Facilities Special Tax”) shall not be levied in CFD No. 2023-1 after the fiscal year specified in the Rate and Method, except that a Facilities Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Facilities Special Tax levied against any parcel in CFD No. 2023-1 used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within CFD No. 2023-1 by more than 10%; and be it

FURTHER RESOLVED, That the City Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to *ad valorem* property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD No. 2023-1; and be it

FURTHER RESOLVED, That except as may otherwise be provided by law or by the Rate and Method, all lands owned by any public entity, including the United States, the State of California and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Taxes to be made to cover the costs and expenses of the Facilities, the Services, and the proposed CFD No. 2023-1. In the event that a portion of the property within CFD No. 2023-1 shall become for any reason exempt, wholly or in part, from the levy of the Special Taxes, the City Council will, on behalf of the proposed CFD No. 2023-1, increase the levy to the extent necessary upon the remaining property within CFD No. 2023-1 which is not exempt in order to yield the required debt service payments and other annual expenses of CFD No. 2023-1, if any, subject to the provisions of the Rate and Method; and be it

FURTHER RESOLVED, That the authorization of bonded and other debt for and levy of the Special Taxes in CFD No. 2023-1 and an appropriations limit for the proposed CFD No. 2023-1 shall be subject to the approval of the qualified electors of the proposed CFD No. 2023-1 at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD No. 2023-1, with each owner having one vote for each acre or portion of an acre such owner owns in the proposed CFD No. 2023-1; and be it

FURTHER RESOLVED, That it is the intention of the City Council, acting as the legislative body for the proposed CFD No. 2023-1, to cause bonds and other debt (as defined in the Act) of the City to be issued for the proposed CFD No. 2023-1 pursuant to the Act to finance in whole or in part the construction and/or acquisition of the Facilities. The bonds shall be issued in one or more series and bear interest payable semi-annually or in such other manner as the City Council shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds, and shall mature not to exceed 40 years from the date of the issuance thereof; and be it

FURTHER RESOLVED, That it is the intention of the City Council that the bonds issued by the City for the proposed CFD No. 2023-1 shall not exceed the aggregate principal amount of \$50,000,000; and be it

FURTHER RESOLVED, That it is the intention of the City Council that the amount of debt other than bonds that may be issued by the City for the proposed CFD No. 2023-1 shall not be subject to such limit; and be it

FURTHER RESOLVED, That the City Administrator, as the officer having charge and control of the Facilities and the Services in and for CFD No. 2023-1, is hereby directed to study said proposed Facilities and Services and to make, or cause to be made, and file with the City Clerk a report in writing (CFD No. 2023-1 Report) presenting the following:

(a) A description of the Facilities and the Services by type which will be required to adequately meet the needs of the proposed CFD No. 2023-1.

(b) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction

therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and all other related costs as provided in Section 53345.3 of the Act.

(c) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith, and all other related costs; and be it

FURTHER RESOLVED, That the CFD No. 2023-1 Report shall be made a part of the record of the public hearing specified below; and be it

FURTHER RESOLVED, That the City Council reserves to itself the right and authority set forth in Section 53344.1 of the Act, subject to any limitations set forth in any bond resolution or trust indenture related to the issuance of bonds; and be it

FURTHER RESOLVED, That on September 19, 2023, at 4:30 p.m. or as soon as possible thereafter, in the City Council Chambers, 1 Frank H Ogawa Plaza, Oakland, California (or via teleconference as may be mandated by State or County emergency health orders), be, and the same are hereby appointed and fixed as the time and place when and where the City Council, as legislative body for the proposed CFD No. 2023-1, will conduct a public hearing on the establishment of the proposed CFD No. 2023-1 and consider and finally determine whether the public interest, convenience and necessity require the formation of CFD No. 2023-1 and the levy of the Special Taxes; and be it

FURTHER RESOLVED, That the City Council may hold the public hearing on September 19, 2023, notwithstanding Section 53321 of the Act, which provides for the public hearing to be scheduled for not less than thirty (30) days or more than sixty (60) days after the adoption of this Resolution, because (a) the City Council has scheduled only one meeting in July 2023, no meetings in August 2023 and one meeting in September 2023, the latter of which is more than sixty (60) days after the date on which this Resolution is adopted, (b) the City, as a charter city, has the power to regulate municipal affairs under Article XI, Section 5 of the California Constitution and Section 106 of the City Charter, and may determine in the exercise of such power that it is in the public interest to hold a public hearing more than sixty (60) days after adoption of this Resolution, (c) in Section 53315 of the Act, the Legislature provided that the Act shall be liberally construed in order to effectuate its purposes, (d) in Section 53312.5 of the Act, the Legislature provided that the City may take any actions or make any determinations which it determines are necessary or convenient to carry out the purposes of the Act and which are not otherwise prohibited by law, and (e) the City Council has received written waivers and consents from all of the property owners and qualified electors in CFD No. 2023-1 in which such property owners and qualified electors have consented to the public hearings for CFD 2023-1 being held on September 19, 2023 or such other date determined by the City Council, and agreed that, notwithstanding Section 53321(e) of the Act, any such date that is more than sixty (60) days after the City Council adopts a resolution of intention to establish CFD No. 2023-1 does not directly affect the jurisdiction of the City Council to order the installation of the Facilities or the provision of the Services, and shall not void or invalidate the proceedings related to CFD No. 2023-1, any levy of Special Taxes for the costs of the Facilities or Services or any bonds or debt issued for CFD No. 2023-1; and be it

FURTHER RESOLVED, That, at any time prior to the date of the public hearing, any interested person may file a written protest with the Office of the City Clerk against the establishment of the proposed CFD No. 2023-1, the extent of the proposed CFD No. 2023-1, or the furnishing of specified types of public facilities or services within the proposed CFD No. 2023-1, or pertaining to the regularity or sufficiency of the proceedings,; and be it

FURTHER RESOLVED, That the City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the proposed CFD No. 2023-1. The publication shall be completed at least seven (7) days before the date of the public hearing specified above. The notice shall be substantially in the form specified in Section 53322 of the Act; and be it

FURTHER RESOLVED, That Section 53314.9 of the Act provides that, either before or after formation of the proposed CFD No. 2023-1, the City may accept work in-kind from any source, including, but not limited to, private persons or private entities, may provide, by resolution, for the use of that work in-kind for any authorized purpose and the City Council may enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by the City Council, with or without interest, under the conditions specified in the Act. Any work in-kind must be performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of, the City. The City and Developer anticipate entering into an agreement under Section 53314.9 and will ask the City Council to approve such agreement on a later date; and be it

FURTHER RESOLVED, That Section 53316.2 of the Act provides that a community facilities district may finance facilities to be owned or operated by a public agency other than the agency that created the district, or services to be provided by a public agency other than the agency that created the district, or any combination, only pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to the Act; and be it

FURTHER RESOLVED, That the City Administrator is hereby authorized and directed to execute on behalf of the City joint community facilities agreements with any entity that will own, maintain, or operate any of the Facilities or provide any of the Services, as may be necessary to comply with the provisions of Section 53316.2(a) and (b) of the Act. The City Council hereby declares that such joint agreements will be beneficial to owners of property in the area of the proposed CFD No. 2023-1; and be it

FURTHER RESOLVED, That the City Council independently finds and determines that CFD No. 2023-1 is subject to the 2009 EIR for the Original Brooklyn Basin Project and the SEIR for the Updated Brooklyn Basin Project and, because the formation of CFD No. 2023-1 is not a substantive change to the Updated Brooklyn Basin Project, that no further environmental review is required. None of the circumstances that require a supplemental or subsequent EIR pursuant to CEQA Guidelines Sections 15162 or 15163 have occurred. In addition, with each serving as a separate and independent basis, this action creating CFD No. 2023-1 is otherwise exempt from CEQA review under CEQA Guidelines section 15183 (projects consistent with a community plan,

general plan or zoning), 15301 (existing facilities), and 15308 (actions by regulatory agencies for the protection of the environment); and be it

FURTHER RESOLVED, That the Environmental Review Officer is directed to file, or cause to be filed, a Notice of Determination/Exemption with the appropriate agencies; and be it

FURTHER RESOLVED, That the City Administrator is hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution; and be it

FURTHER RESOLVED, That this Resolution shall in no way obligate the City Council to form CFD No. 2023-1. The formation of the proposed CFD No. 2023-1 shall be subject to the approval of the City Council by resolution following the holding of the public hearing referred to above; and be it

FURTHER RESOLVED, That the City Council finds and determines that it is in the best interests of the City to waive the City's competitive process contracting requirements to maintain continuity of the City's consultants and legal advisors for these procedures and hereby appoints Jones Hall, A Professional Law Corporation, as bond and disclosure counsel to the City, KNN Public Finance, as municipal advisor to the City, and Goodwin Consulting Group, as special tax consultant to the City, in connection with formation of the proposed CFD No. 2023-1 and issuance of bonds for the proposed CFD No. 2023-1. The City Administrator is hereby authorized to work with the City Attorney to execute a legal services agreement with Jones Hall and the City Administrator is hereby authorized to sign services agreements with KNN Public Finance and Goodwin Consulting Group in substantially the forms and substance of the agreements on file with the City Clerk; and be it

FURTHER RESOLVED, That this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE: JUL 18 2023

AYES - FIFE, GALLO, JENKINS, KALB, ~~KAPLAN~~, RAMACHANDRAN, ~~REID~~, AND PRESIDENT FORTUNATO BAS -6

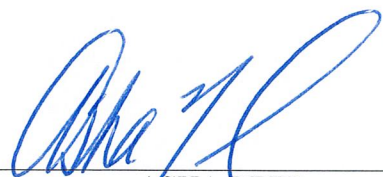
NOES 0

ABSENT 0

ABSTENTION 0

2 Excused- Kaplan And Reid

ATTEST:



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

EXHIBIT A

**CITY OF OAKLAND
Community Facilities District No. 2023-1
(Brooklyn Basin Facilities and Services)**

AUTHORIZED FACILITIES

It is intended that CFD No. 2023-1 will be authorized to finance all or a portion of the costs of acquisition, construction, and improvement of facilities permitted under the Mello-Roos Community Facilities Act of 1982 that are required as conditions of development of the property within CFD No. 2023-1 and that will be owned and operated by the City or any other public agency (which may include the Port of Oakland) or utility identified by the City (subject to compliance with the Act), including, but not limited to, the following:

Phase II Improvements

Park and park and open space improvements consisting of the following improvements:

Completion of Phase II Township Commons Park (formerly referred to as Shoreline Park), initial phase of Clinton Basin Boardwalk, and Brooklyn Plaza (formerly referred to as Gateway Park) open space improvements. Improvements consist of removal of the existing wharf structure, landscape improvements (hardscape and landscaping), construction of a pile supported promenade improvement, installation of bike paths, pedestrian walkways, bay trail connections, park furnishings and shoreline improvements.

Phase III Improvements

Sii Tka Park (formerly referred to as South Park) Improvements – Construction of park and open space improvements consisting of landscaping (hardscape and landscape improvements), installation of bike paths, pedestrian walkways, bay trail connections, park furnishings, bioretention basin and shoreline improvements.

5th Avenue Improvements – Efforts include demolition of existing 5th Avenue improvements, installation of wet and dry utilities, re-construction of 5th Avenue surface improvements including sidewalks and landscape improvements.

Phase IV Improvements

Mayhew Park (formerly referred to as Channel Park) Improvements – Construction of park and open space improvements consisting of landscaping (hardscape and landscape) installation of bike paths, pedestrian walkways, bay trail connections, park furnishings, bioretention basin and shoreline improvements.

4th Avenue Improvements – construction of wet and dry utilities, construction of street improvements, sidewalks and landscape improvements.

Facilities Special Taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund facilities authorized to be financed by CFD No. 2023-1.

AUTHORIZED SERVICES

Special Taxes collected in CFD No. 2023-1 may finance, in whole or in part, the following services (“services” shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

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 areas shown on Attachment 1 attached hereto and incorporated herein. 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, trails including the reconstructed trestle structure within Township Commons park and related maintenance of equipment specific to the Brooklyn Basin facilities, and vegetation maintenance and control;
- (ii) solely with respect to that portion of Embarcadero located adjacent to Brooklyn Basin: maintenance of the landscaping on Embarcadero (trees, palms and shrubs) and reserves for the replacement of landscaping, maintenance of the sidewalk (on the south side of Embarcadero), maintenance and reserves for irrigation and utility costs incurred for controller operations and irrigation
- (iii) operation and maintenance of street lights, street furniture, and other appurtenances;
- (iv) maintenance and operations of storm water treatment/protection services ("stormwater services"), including, but not limited to, the operation and maintenance, repair, and replacement of storm drainage systems that are necessary for the City to comply with the stormwater management and treatment requirements imposed by the City and the Municipal Regional Stormwater Permit (issued by the San Francisco Bay Regional Water Quality Control Board), and the CEQA mitigation requirements for the Updated Brooklyn Basin Project. These stormwater services shall be performed for all pump stations and gravity conveyance storm drainage improvements that are located within or downstream of any pump station and any bioretention/stormwater treatment basin, including the applicable drainage inlets, pipes, and stormwater outfall structures that discharge stormwater to the San Francisco Bay (stormwater protection services expressly exclude the operation,

maintenance, repair and replacement of all other gravity conveyance stormwater improvements located within the Updated Brooklyn Basin Project);

- (v) maintenance of a small watercraft launch/water taxi dock improvement;
- (vi) shared maintenance costs of public restrooms located within the 9th Avenue Terminal Shed Building;
- (vii) 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
- (viii) any other public services authorized to be funded under California Government Code Section 53313 that are also stipulated as maintenance obligations pursuant to that certain Development Agreement, dated August 24, 2006, approved by Ordinance No. 12760 C.M.S. adopted on July 18, 2006, related to development of the Updated Brooklyn Basin Project and recorded against all of the real property covered thereby (as amended and assigned, the “Development Agreement”), by and between the City of Oakland, as an original party and as successor to the Redevelopment Agency of the City of Oakland, and Zarsion-OHP I, LLC, a California limited liability company, as successor by assignment from Oakland Harbor Partners, LLC.

Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for a replacement of such facilities. The Services Special Taxes shall only fund authorized Services to the extent that they are in addition to those provided to land within CFD No. 2023-1 prior to the creation of CFD No. 2023-1.

ADMINISTRATIVE AND INCIDENTAL EXPENSES

CFD No. 2023-1 may also finance any of the following:

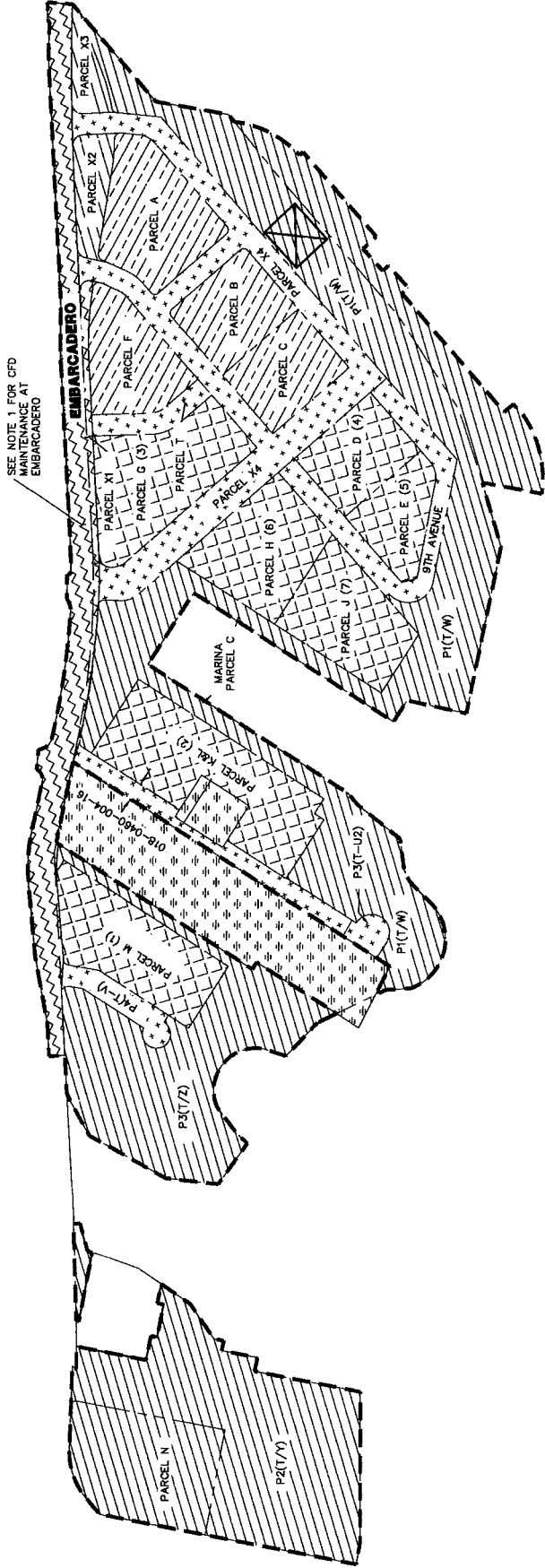
1. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.
2. Administrative fees of the City and the bond trustee or fiscal agent related to CFD 2023-1 and the Bonds.
3. Reimbursement of costs related to the formation of CFD No. 2023-1 advanced by the City, the landowner(s) in CFD No. 2023-1, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in CFD No. 2023-1 or any party related to any of the foregoing, for facilities, fees or other purposes or costs of CFD No. 2023-1.

4. All “costs” and “incidental expenses” related to the eligible facilities as those terms are defined in the Act.

Special Taxes may be collected and set-aside in designated funds and collected over several years and used to fund facilities or services authorized to be financed by CFD No. 2023-1.

ATTACHMENT 1

MAP OF AREAS WHERE AUTHORIZED SERVICES ARE FINANCED BY CITY OF OAKLAND
COMMUNITY FACILITIES DISTRICT NO. 2023-1 (BROOKLYN BASIN FACILITIES AND SERVICES),
CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA



TAXABLE PROPERTIES WITHIN OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2023-1:

- (1) 018-0430-001-14 - PARCEL M
- (2) 018-0460-004-11 - PARCELS K&L
- (3) 018-0465-002-30 - PARCEL G
- (4) 018-0465-015-00 - PARCEL D
- (5) 018-0465-016-00 - PARCEL E
- (6) 018-0465-017-00 - PARCEL H
- (6) 018-0465-018-00 - PARCEL J

LINE TYPES & SYMBOLS

- TAXABLE PROPERTIES WITHIN CFD 2023-1
- AREAS WHERE AUTHORIZED SERVICES ARE FINANCED BY CFD 2023-1
- ORIGINAL TAXABLE PROPERTIES WITHIN CFD 2017-1
- PARCELS NOT INCLUDED IN BROOKLYN BASIN PROJECT CFD 2023-1 BOUNDARY OR SERVICES AREAS
- PUBLIC STREETS MAINTENANCE AND IMPROVEMENTS (IRRIGATION IMPROVEMENTS, SIDEWALKS, STREETLIGHTS, AND UTILITY COSTS INCURRED FOR CONTROLLER OPERATIONS AND IRRIGATION)
- DETERMINES GENERAL AREA OF 9TH AVENUE TERMINAL SHED BUILDING SOLELY FOR PURPOSES OF INDICATING THAT PUBLIC RESTROOMS WITHIN THE BUILDING AREA WITHIN THE SERVICES AREA OF CFD 2023-1
- EMBARCADERO SERVICE AREA. SEE MAINTENANCE NOTE 1 BELOW

MAINTENANCE NOTE:

1. TO THE EXTENT CONSISTENT WITH THE DESCRIPTION OF AUTHORIZED SERVICES OF CFD 2023-1, THE CITY OF OAKLAND AND EMBARCADERO INCLUDES ALL OF THE LANDSCAPING ON EMBARCADERO (TREES, PALMS, AND SHRUBS) AND RESERVES FOR THE REPLACEMENT OF LANDSCAPING, MAINTENANCE OF THE SIDEWALK (ON THE SOUTH SIDE OF EMBARCADERO), MAINTENANCE, RESERVES FOR IRRIGATION, AND UTILITY COSTS INCURRED FOR CONTROLLER OPERATIONS AND IRRIGATION.

BOUNDARY NOTE:
REFERENCE IS HEREBY MADE TO THE MAPS MAINTAINED BY THE ALAMEDA COUNTY ASSESSOR FOR AN EXACT DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH LOT AND PARCEL.



EXHIBIT B

**CITY OF OAKLAND
COMMUNITY FACILITIES DISTRICT NO. 2023-1
(BROOKLYN BASIN FACILITIES AND SERVICES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

Special Taxes applicable to each Assessor's Parcel in City of Oakland Community Facilities District No. 2023-1 (Brooklyn Basin Facilities and Services) shall be levied and collected according to the tax liability determined by the City Council of the City of Oakland through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD.

Because CFD No. 2017-1 (as defined herein) and the CFD were formed by the City as part of a common plan of financing to provide funds to maintain certain public parks and other public improvements related to the Brooklyn Basin Project, the City intends, as described in this RMA, to use good faith efforts, and to the maximum extent permitted by law, to establish a proportional relationship in each Fiscal Year between to the levy of the special tax in CFD No. 2017-1 and the levy of the Services Special Tax in the CFD.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Acre” means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to calculate or pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for the City and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

“Administrator” shall mean the person or firm designated by the City to administer the Special Taxes according to this RMA.

“Aggregate Services Special Tax Requirement” means the Services Special Tax Requirement plus the CFD No. 2017-1 special tax requirement, which shall constitute the entire special tax requirement associated with providing services to the Brooklyn Basin Project.

“Assessor’s Parcel” or **“Parcel”** means a lot or 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 County Assessor designating Parcels by Assessor’s Parcel number.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by the CFD.

“Authorized Services” means the public services authorized to be funded, in whole or in part, by the CFD.

“Average Sales Price” means the weighted average sales price for all For Sale Units that have sold within the last 18 months or are expected to sell in a normal marketing environment, and shall not include prices for such For Sale Units that are sold at a discount for the purpose of stimulating initial sales activity. The sales price shall include the actual sales price of the For Sale Units that have sold in the past 18 months including, but not limited to, options, upgrades, and premiums.

“Base Special Tax” means, individually, the Base Facilities Special Tax and the Base Services Special Tax.

“Base Facilities Special Tax” means, for any Land Use Category, the applicable Facilities Special Tax initially identified in Table 1 of Section C, as may be adjusted pursuant to Sections D and H.

“Base Services Special Tax” means, for any Land Use Category, the applicable Services Special Tax initially identified in Tables 2 and 3 of Section C, as may be adjusted pursuant to Section D.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Facilities Special Tax and issued or assumed by the CFD to fund Authorized Facilities.

“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 Administrator shall coordinate with the City to determine the appropriate party to serve as the Building Department for purposes of this RMA.

“Building Permit” means a single permit or set of permits required to construct a residential or mixed-use structure. If a permit is issued for a foundation, parking, landscaping or other related facility or amenity, but a building permit has not yet been issued for the structure served by these facilities or amenities, such permit shall not be considered a “Building Permit” for purposes of application of the Special Taxes herein.

“Capitalized Interest” means funds in any capitalized interest account available to pay debt service on Bonds.

“Certificate of Occupancy” or **“COO”** means the first certificate issued by the City or a letter written by the Building Department to the 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” means the City of Oakland Community Facilities District No. 2023-1 (Brooklyn Basin Facilities and Services).

“CFD Formation” means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

“CFD No. 2017-1” means the 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 the CFD.

“County” means the County of Alameda.

“CPI” means, for each Fiscal Year, the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco – Oakland – Hayward region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor, 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 Administrator that is reasonably comparable to the CPI for the San Francisco – Oakland – Hayward region.

“Developed Property” means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property that are not Taxable Welfare Exemption Property for which a Certificate of Occupancy was issued after January 1, 2023, and on or before June 30 of the previous Fiscal Year.

“Development Class” means, individually, Developed Property and Taxable Welfare Exemption Property.

“Expected Land Uses” means the amount and type of Residential Property and Non-Residential Property expected in the CFD at CFD Formation, as identified in Attachment 2 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 2 each time there is a Land Use Change. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

“Expected Maximum Services Special Tax Revenues” means the aggregate Services Special Tax that can be levied based on application of the Base Services Special Tax prior to the Trigger Event to the Expected Land Uses. The Expected Maximum Services Special Tax Revenues at CFD Formation are shown in Attachment 2 and may be revised pursuant to Section D below.

“Facilities Special Tax” means a special tax levied in any Fiscal Year on Residential Property to pay the Facilities Special Tax Requirement.

“Facilities Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support, and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses not covered in the Services Special Tax Requirement; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Facilities Special Tax levied on Taxable Welfare Exemption Property. The amounts referred to in clauses (i) and (ii) of the definition of Facilities Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Facilities Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the City.

“Final Map” mean a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots on which a Building Permit for new construction may be issued without further subdivision.

“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.

“Improvement Fund” means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities.

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Initial Offering Event” will be deemed to have occurred for all Residential Units within a given Offering Building if, in any Fiscal Year, the Administrator has determined that any Residential 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 Residential Units within each Offering Building, as either a for sale offering or rental offering, regardless of whether every Residential 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 Category” means the categories of land use identified in Tables 1, 2, and 3 in Section C below.

“Land Use Change” means a proposed or approved change to the Expected Land Uses in the CFD.

“Master Developer” means ZARSION-OHP I, LLC, a California limited liability company, and its successors and assigns.

“Maximum Allowable Effective Tax Rate” means 2.0% of the Average Sales Price of a For Sale Unit, or such other maximum effective tax rate set forth in the City’s *Amended and Restated Local Goals and Policies and Appraisal Standards for Community Facilities Districts* as the maximum allowable total tax rate on any single family home, condominium, or town home within a CFD in the City.

“Maximum CFD Services Revenues” means the aggregate Maximum Services Special Tax that can be levied on all Parcels of Taxable Property within both Tax Zones in the CFD in any given Fiscal Year. As shown in Attachment 2 hereto, based on the Expected Land Uses at CFD Formation, the total Maximum CFD Services Revenues for Fiscal Year 2022-23 is \$2,519,797, which amount shall be adjusted on July 1, 2023, and each July 1 thereafter, as described below in Section C.

“Maximum Facilities Special Tax” means the greatest amount of Facilities Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C, D, and H below.

“Maximum Services Special Tax” means the greatest amount of Services Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below.

“Maximum Special Taxes” means, collectively, the Maximum Facilities Special Tax and the Maximum Services Special Tax.

“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, industrial use, or any other Taxable Property use except Residential Property.

“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 Residential 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 Residential Units on the same Assessor’s Parcel 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 Residential Unit within an Offering Building.

“Owners Association” means a homeowners or property owners association, including any master or sub-association, that provides services to, and collects dues, fees, or charges from, property within the CFD.

“Owners Association Property” means a Parcel in the CFD that is owned by an Owners Association.

“Price Point Consultant” means any consultant or firm selected by the City that: (a) has substantial experience in performing price point studies for For Sale Units within community facilities districts or otherwise estimating or confirming pricing for For Sale Units in community facilities districts; (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of For Sale Units in community facilities districts; (c) is independent and not under the control of the City or any developer of Parcels in the CFD; (d) does not have any substantial interest, direct or indirect, with or in: (i) the CFD, (ii) the City, or (iii) any owner of real property in the CFD; and (e) is not connected with the City as an officer or employee thereof, but who may be regularly retained to make reports to the City.

“Price Point Study” means a price point study or letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section D herein. The price point study shall analyze For Sale Units with similar density, square footage ranges, and product type as the For Sale Units included in the CFD. The Master Developer will be provided the opportunity to review and comment on the draft price point study before a final version is presented to the City.

“Proportionately” means, for each Development Class, that: (i) the ratio of the actual Facilities Special Tax levied in any Fiscal Year to the Maximum Facilities Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class; and (ii) the ratio of the actual Services Special Tax levied in any Fiscal Year to the Maximum Services Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class.

“Public Property” means any Parcel within the boundaries of the CFD that is owned by the City, County, State of California, federal government, or other public agency.

“Rental Unit” means, for each Fiscal Year, a residential dwelling unit which has been, or is deemed to be, offered for rent, including but not limited to senior assisted living units, as part of an Initial Offering Event.

“Required Coverage” means the amount or percentage by which the Maximum Facilities Special Tax revenues less priority Administrative Expenses (if any) must exceed the Bond debt service as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

“Required Services Revenues” means the required Services Special Tax revenues from Taxable Property in each Tax Zone within the CFD that must be available to the City in any Fiscal Year in order for the City to pay the Services Special Tax Requirement, although the actual amount levied in such Fiscal Year may be less than the Maximum CFD Services Revenues. For Fiscal Year 2022-23, the Required Services Revenues for Tax Zone 1 is \$1,165,477 and the Required Services Revenues for Tax Zone 2 is \$1,354,320, as shown in Attachment 2 hereto, which amounts shall be

adjusted on July 1, 2023, and each July 1 thereafter, as described below in Section C. The Required Services Revenues will also be adjusted, as needed, based on Land Use Changes within the CFD.

“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 Residential Units.

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

“RMA” means this Rate and Method of Apportionment of Special Taxes.

“Services Special Tax” means a special tax levied in any Fiscal Year on Residential Property and Non-Residential Property to pay the Services Special Tax Requirement.

“Services Special Tax Requirement” means the amount necessary in any Fiscal Year to pay for the following: (i) Authorized Services; (ii) Administrative Expenses not covered in the Facilities Special Tax Requirement; and (iii) amounts needed to cure any delinquencies in the payment of Services Special Taxes which have occurred or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the Special Tax will be collected. The Services Special Tax Requirement may be reduced in any Fiscal Year by taking into account money reasonably expected to be available from one or more of the following sources: (a) surplus Services Special Tax revenues collected in prior Fiscal Years; and (b) any other funds available to apply against the Services Special Tax Requirement as determined by the Administrator.

“Special Taxes” means, collectively, the Facilities Special Tax and the Services Special Tax.

“Square Footage” or **“Square Foot”** 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.

“Taxable Property” means all Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Welfare Exemption Property” means in any Fiscal Year after the first series of Bonds have been sold for the CFD, any Parcel of Welfare Exemption Property that satisfies all three of the following conditions: (i) the Parcel had not been Welfare Exemption Property on the date of sale of the first series of Bonds; (ii) the Parcel was not anticipated to be Welfare Exemption Property based on the Expected Land Uses, as determined by the Administrator, on the date of issuance of the first series of Bonds; and (iii) if the Parcel were to be exempt from the Facilities Special Tax because it has become Welfare Exemption Property, the Maximum Facilities Special Tax revenues, based on the Expected Land Uses, would be reduced to a point at which Required Coverage could not be maintained.

“Tax Zone” means a mutually exclusive geographic area in the CFD within which the Special Tax may be levied pursuant to this RMA. The two Tax Zones at CFD Formation are identified in Attachment 1 hereto.

“Tax Zone 1” means the Parcels specifically identified as within Tax Zone 1 in Attachment 1 of this RMA.

“Tax Zone 2” means the Parcels specifically identified as within Tax Zone 2 in Attachment 1 of this RMA.

“Tentative Map” means a tentative map or substantial conformance exhibit for property in the CFD, including any adjustments or amendments thereto.

“Total Tax Burden” means, for any For Sale Unit, the Special Taxes for such For Sale Unit, together with ad valorem property taxes, special assessments, special taxes for any overlapping community facilities districts, or any other taxes, fees and charges which would be collected by the County on property tax bills (assuming that such For Sale Unit has an assessed value equal to the Average Sales Price), and which are payable from and secured by the property assuming such For Sale Unit had been completed, sold, and subject to such levies and impositions.

“Trigger Event” means that (i) all Bonds secured by the levy and collection of Facilities Special Taxes have been fully repaid, (ii) all Administrative Expenses from prior Fiscal Years have been paid, funded, and/or reimbursed to the City, and (iii) there are no other Authorized Facilities that the City intends to fund with Bonds and Facilities Special Taxes. In the first Fiscal Year in which the Administrator determines that the Trigger Event occurred in the prior Fiscal Year, and in each Fiscal Year thereafter, the Facilities Special Tax shall cease to be levied, and the Maximum Services Special Tax for each Parcel shall be adjusted pursuant to Section C.1b below.

“Welfare Exemption Property” means, in any Fiscal Year, any Parcels in the CFD that have received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code and for which such welfare exemption is still in place.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAXES

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class; (ii) for Developed Property, categorize each Parcel as Residential Property or Non-Residential Property; (iii) for Residential Property, determine the number of For Sale Units, Rental Units, or Interim Units on each Parcel; (iv) for Non-Residential Property, determine the Square Footage on each Parcel; (v) determine the Facilities Special Tax Requirement and Services Special Tax Requirement for the Fiscal Year; and (vi) determine if the Trigger Event occurred in the prior Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor Tentative Maps, Final Maps, Building Permits, and Certificates of Occupancy to determine if there are any proposed Land Use Changes that would change the Expected Maximum Services Special Tax Revenues. If the Expected Maximum Services Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In addition, the Administrator shall ensure that the Aggregate Special Tax Requirement is equal to the Services Special Tax Requirement plus the CFD No. 2017-1 special tax requirement. The Administrator shall further ensure that the Aggregate Special Tax Requirement is divided between the Services Special Tax Requirement and the CFD No. 2017-1 special tax requirement so that, in any Fiscal Year, the ratio of the actual Services Special Tax levied in the CFD relative to the Maximum Services Special Tax is as close as possible to the ratio of the actual special tax levied in CFD No. 2017-1 relative to the CFD No. 2017-1 maximum special tax. An example calculation

demonstrating how the proportionality ratios of CFD No. 2017-1 and the CFD would be aligned is provided in Attachment 3.

In any Fiscal Year, if it is determined that: (i) a Final Map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the Final Map was recorded, the Assessor does not yet recognize the new parcels created by the Final Map, and (iii) one or more of the newly-created parcels is in a different Development Class than other parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the Final Map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the Final Map.

C. MAXIMUM SPECIAL TAXES

1. *Developed Property*

a. Facilities Special Tax

The Maximum Facilities Special Tax for a Parcel of Developed Property before the Trigger Event is the greater of: (i) the Base Facilities Special Tax set forth in Table 1 below; or (ii) the amount determined pursuant to Section D. After the Trigger Event, the Maximum Facilities Special Tax shall be reduced to \$0 for all Residential Units in both Tax Zones.

**TABLE 1
BASE FACILITIES SPECIAL TAX
BEFORE TRIGGER EVENT
FISCAL YEAR 2022-23***

Property	Tax Zone 1	Tax Zone 2
Residential Property:		
For Sale Unit	\$436 per Residential Unit	\$1,500 per Residential Unit
Rental Unit	\$436 per Residential Unit	\$1,500 per Residential Unit
Interim Unit	\$436 per Residential Unit	\$1,500 per Residential Unit
Non-Residential Property	Not Applicable	Not Applicable

* Beginning July 1, 2023, and each July 1 thereafter, all figures shown in Table 1 above shall be subject to an automatic increase at a rate equal to 2.0% of the amount in effect for the prior Fiscal Year.

Once a Facilities Special Tax has been levied on a Parcel of Developed Property, the Maximum Facilities Special Tax applicable to that Parcel may only be reduced in future Fiscal Years prior to the date of issuance of the first series of Bonds or after the date of the Trigger Event, regardless of changes in land use or other changes on the Parcel as described below in Section D.

b. Services Special Tax

The Maximum Services Special Tax for a Parcel of Developed Property before the Trigger Event is the greater of: (i) the Base Services Special Tax set forth in Table 2 below; or (ii) the amount determined pursuant to Section D. The Maximum Services Special Tax for a Parcel of Developed Property after the Trigger Event is the greater of: (i) the Base Services Special Tax set forth in Table 3 below; or (ii) the amount determined pursuant to Section D.

**TABLE 2
BASE SERVICES SPECIAL TAX
BEFORE TRIGGER EVENT
FISCAL YEAR 2022-23***

Property Type	Zone 1	Zone 2
Residential Property:		
For Sale Unit	\$857 per Residential Unit	\$1,293 per Residential Unit
Rental Unit	\$704 per Residential Unit	\$1,140 per Residential Unit
Interim Unit	\$704 per Residential Unit	\$1,140 per Residential Unit
Non-Residential Property	\$1.1378 per Sq. Ft.	\$1.1378 per Sq. Ft.

*Beginning July 1, 2023, and each July 1 thereafter, all figures shown in Table 2 above 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.

**TABLE 3
BASE SERVICES SPECIAL TAX
AFTER TRIGGER EVENT
FISCAL YEAR 2022-23***

Property Type	Tax Zone 1	Tax Zone 2
Residential Property:		
For Sale Unit	\$1,293 per Residential Unit	\$1,293 per Residential Unit
Rental Unit	\$1,140 per Residential Unit	\$1,140 per Residential Unit
Interim Unit	\$1,140 per Residential Unit	\$1,140 per Residential Unit
Non-Residential Property	\$1.1378 per Sq. Ft.	\$1.1378 per Sq. Ft.

*Beginning July 1, 2023, and each July 1 thereafter, all figures shown in Table 3 above 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.

c. Multiple Land Use Categories

If a Parcel is developed with multiple Land Use Categories, the Administrator shall apply the following steps to allocate the Maximum Special Taxes to the Land Use Categories on the Parcel:

- Step 1.** Identify the number of Residential Units and of the Square Footage of Non-Residential Property on the Parcel.
- Step 2.** Multiply the number of Residential Units and the Square Footage of Non-Residential Property on the Parcel by the applicable Base Special Taxes for the Land Use Category.
- Step 3.** Sum the amounts determined for each Land Use Category in Step 2 to calculate the Maximum Special Taxes for the Parcel.

2. *Taxable Welfare Exemption Property*

The Maximum Facilities Special Tax for Taxable Welfare Exemption Property prior to the Trigger Event is \$202,049 per Acre for Fiscal Year 2022-23, which amount shall increase on July 1, 2023, and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year. After the Trigger Event the Maximum Facilities Special Tax for Taxable Welfare Exemption Property is \$0 per Acre. No Services Special Tax shall be levied on Welfare Exemption Property.

D. CHANGES TO THE MAXIMUM SPECIAL TAXES

1. *Land Use Change*

The Expected Maximum Services Special Tax Revenues shown in Attachment 2 were calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review all Land Use Changes and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Services Special Tax Revenues.

If a Land Use Change would result in a change to the Expected Maximum Services Special Tax Revenues for a particular Tax Zone, no action will be needed pursuant to this Section D if the change does not cause the Expected Maximum Services Special Tax Revenues to be less than the Required Services Revenues for such Tax Zone. Upon approval or identification of the Land Use Change, the Administrator shall update Attachment 2 to show the revised Expected Maximum Services Special Tax Revenues and Maximum CFD Services Revenues.

If a Land Use Change would reduce the Expected Maximum Services Special Tax Revenues in a Tax Zone below the Required Services Revenues, the Base Services Special Tax for Parcels that are subject to the Land Use Change (as determined by the Administrator) shall be increased proportionately until the amount that can be levied on Taxable Property subject to the Land Use Change, combined with the Expected Maximum Services Special Tax Revenues from other Taxable Property within the Tax Zone, is sufficient to maintain the Required Services Revenues. In conjunction with the increase in the Base Services Special Tax for Parcels subject to the Land

Use Change, the Base Facilities Special Tax for such Parcels shall be reduced, up to the Maximum Facilities Special Tax for the then current Fiscal Year, by an amount equal to the increase in the Base Service Special Tax for such Parcels. The Administrator shall use these adjusted rates to calculate the Maximum Special Taxes for all Parcels subject to the Land Use Change. The Administrator shall confirm that the sum of the increased Maximum Services Special Tax and the decreased Maximum Facilities Special Tax for such Parcels for the then current Fiscal Year is equal to the sum of the Maximum Services Special Tax and the Maximum Facilities Special Tax for such Parcels prior to the Land Use Change. The Administrator shall also revise Attachment 2 to reflect the new Expected Maximum Services Special Tax Revenues for the affected Tax Zone.

2. *Simultaneous Land Use Changes*

If multiple Land Use Changes are proposed simultaneously by a single landowner, and that landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Services Special Tax Revenues. If there is a reduction that would reduce the Required Services Revenues, then the Base Services Special Tax and Base Facilities Special Tax used to determine the Maximum Special Taxes for each Parcel of Taxable Property in the areas affected by the Land Use Changes (as determined by the Administrator) shall be adjusted as set forth in Section D.1 above. If Land Use Changes are proposed simultaneously by multiple landowners, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

3. *Change in Land Use Category*

If the Land Use Category on any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise changes Land Use Category, the Administrator shall multiply the Base Services Special Tax by the new Land Use Category(ies). If the amount determined is greater than the Maximum Services Special Tax that applied to the Taxable Parcel prior to the change in Land Use Category, the Administrator shall increase the Maximum Services Special Tax for the Parcel to the amount calculated for the new Land Use Category(ies). If the amount determined is less than the Maximum Services Special Tax that applied prior to the change in Land Use Category, there will be no change to the Maximum Services Special Tax for the Parcel. Except as otherwise provided in this RMA, under no circumstances shall the Maximum Services Special Tax on any Parcel of Developed Property be reduced regardless of changes in Land Use Category on the Parcel, including reductions in the number of Residential Units or Square Footage on Non-Residential Property that may occur due to demolition, fire, water damage, or acts of God.

Similarly, if the Land Use Category on any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise changes Land Use Category, the Administrator shall multiply the Base Facilities Special Tax by the new Land Use Category(ies). If the amount determined is greater than the Maximum Facilities Special Tax that applied to the Taxable Parcel prior to the change in Land Use Category, the Administrator shall increase the Maximum Facilities Special Tax for the Parcel to the amount calculated for the new Land Use Category(ies). If the amount determined is less than the Maximum Facilities Special Tax that applied prior to the change in Land Use Category, there will be no change to the Maximum Facilities Special Tax for the Parcel. Except as otherwise provided in this RMA, under no circumstances shall the Maximum

Facilities Special Tax on any Parcel of Developed Property be reduced regardless of changes in Land Use Category on the Parcel, including reductions in the number of Residential Units or Square Footage on Non-Residential Property that may occur due to demolition, fire, water damage, or acts of God. Notwithstanding Section G below, if in any future Fiscal Year, a Parcel that had been taxed as Developed Property becomes Public Property or Owners Association Property, such Parcel shall continue to be taxed as Developed Property, and the Maximum Special Taxes that applied to the Parcel prior to it becoming Public Property or Owners Association Property shall continue to apply.

4. *Duties of Administrator*

The duties imposed on the Administrator pursuant to this Section D to review Land Use Changes and changes to Land Use Categories and to make certain calculations are intended only to facilitate the administration of the Special Taxes, and to better assure the sufficiency of tax capacity to pay for Authorized Services and Authorized Facilities. Such duties are not intended to give any developer, subdivider, or owner of property the right to receive notice of the potential impact of Land Use Changes on the Special Taxes applicable to a Parcel; and each developer, subdivider, or owner of property whose property is the subject of a Land Use Change or change to a Land Use Category shall be responsible for understanding the impact thereof on the Special Taxes applicable to such property.

5. *Reduction in Maximum Facilities Special Tax*

The Base Facilities Special Taxes for For Sale Units set forth in Table 1 in Section C above may be proportionately or disproportionately reduced prior to issuance of the first series of Bonds that is fully or partially secured by Facilities Special Taxes levied on For Sale Units. Such a reduction shall be made without a vote of the qualified electors in the CFD if either of the following occur: (i) the Master Developer requests a reduction in the Base Facilities Special Tax; or (ii) the City makes a determination that the Total Tax Burden may, without a reduction in the Base Facilities Special Tax, exceed the Maximum Allowable Effective Tax Rate.

Upon such determination by the City and prior to the first Bond sale that is fully or partially secured by Facilities Special Taxes levied on For Sale Units, the City shall hire a Price Point Consultant to prepare a Price Point Study setting forth the Average Sales Price. If, based on the Price Point Study, the Administrator calculates that the Total Tax Burden will exceed the Maximum Allowable Effective Tax Rate, the Administrator and the City shall meet with the Master Developer to discuss the findings. If the City determines that the Total Tax Burden is likely to exceed the Maximum Allowable Effective Tax Rate, the Administrator shall reduce the Base Facilities Special Tax to the point at which the Total Tax Burden is equal to the Maximum Allowable Effective Tax Rate, unless such reduction is waived in writing by the City Manager. Any such reduction shall occur at least 30 days prior to the first Bond sale that is fully or partially secured by Facilities Special Taxes levied on For Sale Units.

The Base Facilities Special Tax reductions permitted pursuant to this paragraph shall be reflected in an Amended Notice of Special Tax Lien, which the Administrator shall cause to be recorded. If, based on the Price Point Study, the Administrator determines that the Total Tax Burden will not exceed the Maximum Allowable Effective Tax Rate, then there shall be no change in the Base Facilities Special Tax for For Sale Units unless so requested by the Master Developer.

E. METHOD OF LEVY OF THE SPECIAL TAXES

1. *Facilities Special Tax*

Each Fiscal Year, the Facilities Special Tax shall be levied according to the following steps:

- Step 1.** The Administrator shall determine the Facilities Special Tax Requirement to be collected in that Fiscal Year.
- Step 2.** The Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Facilities Special Tax for each Parcel until the amount levied is equal to the Facilities Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.
- Step 3.** If additional revenue is needed after Step 1 and after Capitalized Interest has been applied to reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Parcel of Taxable Welfare Exemption Property, up to 100% of the Maximum Facilities Special Tax for each Parcel until the amount levied is equal to the Facilities Special Tax Requirement.

2. *Services Special Tax*

Each Fiscal Year, the Services Special Tax shall be levied according to the following steps:

- Step 1.** The Administrator shall determine the Services Special Tax Requirement to be collected in that Fiscal Year.
- Step 2.** The Services Special Tax shall be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Services Special Tax for each Parcel for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement.
- Step 3.** The Administrator shall ensure that the proportionality ratio applied in Step 2 is equal, to the maximum extent possible, to the proportionality ratio applied to the levy in CFD No. 2017-1. Notwithstanding the foregoing, nothing in this Step 3 shall result in the special tax levied in CFD No. 2017-1 being used to pay for expenses that are not costs of the authorized services for CFD No. 2017-1, or in the Services Special Tax levied in the CFD being used to pay for expenses that are not costs of the Authorized Services.

F. MANNER OF COLLECTION OF SPECIAL TAXES

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 City may directly bill the Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Facilities Special Tax shall be levied and collected until the earlier of (i) the Trigger Event, or (ii) Fiscal Year 2072-73. The Services Special Tax shall be levied in perpetuity. Under no circumstances may the Facilities Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Facilities Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Taxes shall be levied in any Fiscal Year on the following:

- (1) Public Property.
- (2) Owners Association Property.
- (3) Welfare Exemption Property, except Taxable Welfare Exemption Property.
- (4) Parcels owned by a public utility for an unmanned facility.
- (5) Parcels subject to an easement that precludes any other use on the Parcel.

H. INTERPRETATION OF RMA

Interpretations may be made by Resolution of the City to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes and any security for any Bonds. Under no circumstances may such revisions to the RMA decrease; (i) the Expected Maximum Services Special Tax Revenues to an amount less than the Required Services Revenues; or (ii) the Maximum Facilities Special Tax revenues to a level that will reduce debt service coverage on Bonds below the Required Coverage.

I. APPEALS

Any property owner may file a written appeal of the Special Taxes claiming that the amount or application of the Special Taxes is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are 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.

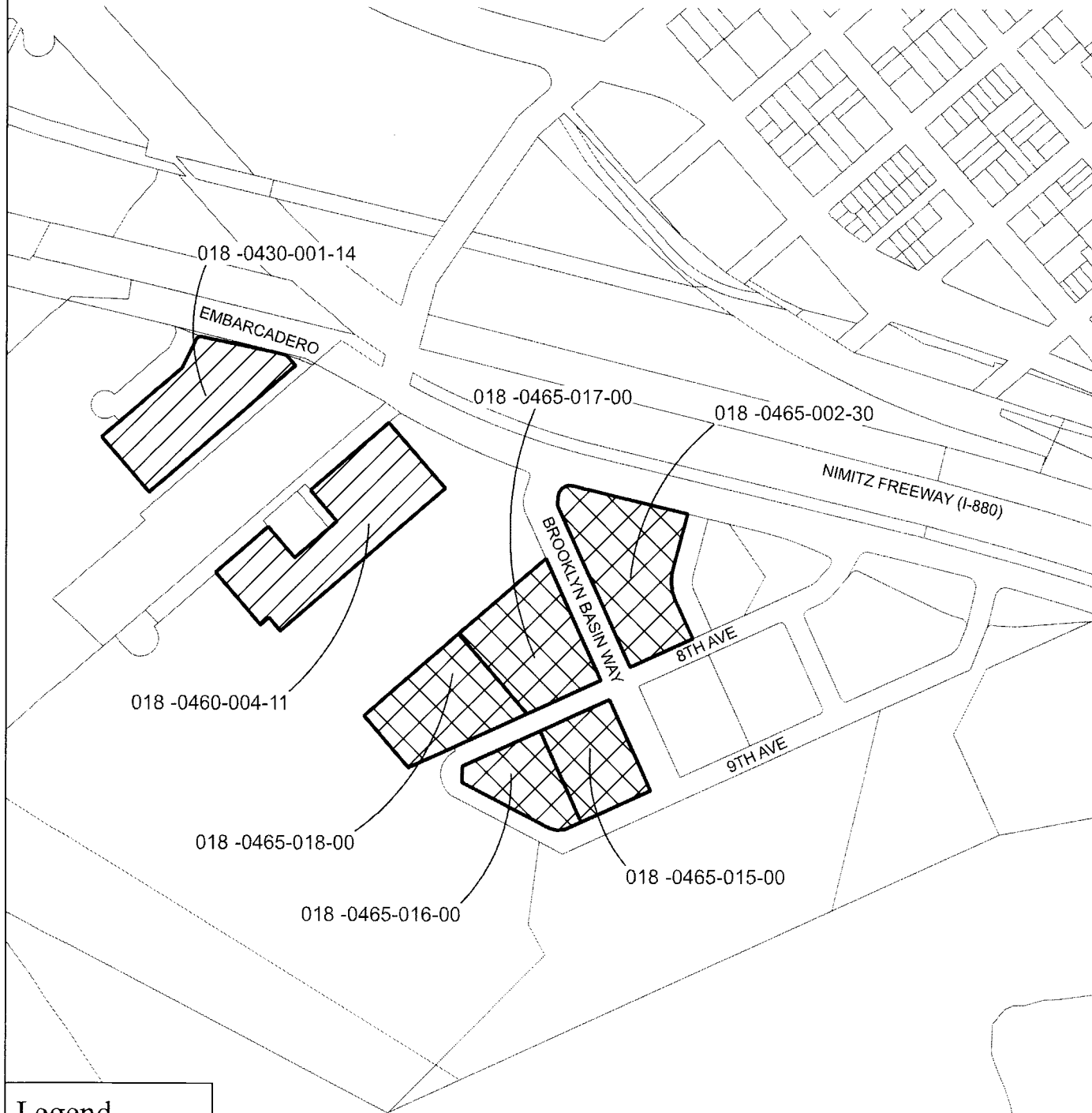
The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The Administrator shall review the appeal, meet with the appellant if the Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the 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 Administrator or subsequent decision by the City Council requires the Special Taxes to be modified or changed in favor of the property owner, then the 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 levies, subject to maintaining Required Coverage.



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.

Attachment 1
City of Oakland
Community Facilities District No. 2023-1
(Brooklyn Basin Facilities and Services)

Identification of Tax Zones



Legend

-  Tax Zone 1
-  Tax Zone 2

ATTACHMENT 2

**City of Oakland
Community Facilities District No. 2023-1
(Brooklyn Basin Facilities and Services)**

**Expected Land Uses and
Expected Maximum Services Special Tax Revenues
Before Trigger Event**

Land Use Category	Expected Residential Units/ Non-Residential Sq. Ft.	Base Services Special Tax Fiscal Year 2022-23*	Expected Maximum Services Special Tax Revenues*
Tax Zone 1			
For Sale Units	0 Residential Units	\$857 per Residential Unit	\$0
Rental Units	1,565 Residential Units	\$704 per Residential Unit	\$1,101,760
Interim Units	0 Residential Units	\$704 per Residential Unit	\$0
Non-Residential Property	56,000 Square Feet	\$1.1378 per Sq. Ft.	\$63,717
Tax Zone 1 Expected Maximum Services Special Tax Revenues (FY 2022-23 \$)*			\$1,165,477
Tax Zone 2			
For Sale Units	0 Residential Units	\$1,293 per Residential Unit	\$0
Rental Units	1,188 Residential Units	\$1,140 per Residential Unit	\$1,354,320
Interim Units	0 Residential Units	\$1,140 per Residential Unit	\$0
Non-Residential Property	0 Square Feet	\$1.1378 per Sq. Ft.	\$0
Tax Zone 2 Expected Maximum Services Special Tax Revenues (FY 2022-23 \$)*			\$1,354,320
Maximum CFD Services Revenues (FY 2022-23 \$)*			\$2,519,797

* Beginning July 1, 2023, and each July 1 thereafter, the dollar amounts shown above 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.

ATTACHMENT 3

**City of Oakland
Community Facilities District No. 2023-1
(Brooklyn Basin Facilities and Services)**

**Example Calculation
Aligning Proportionality Ratios of CFD No. 2017-1 and the CFD
Actual Services Special Tax Relative to Maximum Services Special Tax**

**Assuming a Fiscal Year 2022-23 Special Tax Levy
And All Land Uses are Built Out as Expected**

	Maximum Services Special Tax per Rental Unit	Expected Maximum Services Special Tax Revenues	% of Total
The CFD			
Tax Zone 1	\$704	\$1,165,477	
Tax Zone 2	\$1,140	\$1,354,320	
Subtotal		<u>\$2,519,797</u>	82.10%
CFD No. 2017-1 (482 Rental Units)	\$1,140	\$549,480	17.90%
Total		<u>\$3,069,277</u>	100.00%
<hr/>			
If Aggregate Services Special Tax Requirement =		\$2,590,000 (hypothetical)	
Then Administrator Divides Aggregate Services Special Tax Requirement as Follows:			
The CFD			
		\$2,126,323	82.10%
CFD No. 2017-1		\$463,677	17.90%
Total		<u>\$2,590,000</u>	100.00%
<hr/>			
And Actual Special Tax Levy per Rental Unit Would Be:		Special Tax per Rental Unit	Proportionality Ratio*
The CFD			
Tax Zone 1		\$594	84.38%
Tax Zone 2		\$962	84.38%
CFD No. 2017-1		\$962	84.38%

* Proportionality ratio = the actual Special tax as a percent of the Maximum Special Tax; the proportionality ratio would apply to each Land Use Category.