



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 05/15/07
AGENDA ITEM 3
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Finance Director
SUBJECT: Changes to Community Facilities District No. 1 (Eden Shores)

RECOMMENDATION:

It is recommended that the City Council adopt the attached Resolution of Consideration to initiate changes to Community Facilities District No. 1 (Eden Shores) (CFD), and setting the public hearing for June 19, 2007.

DISCUSSION:

Pursuant to the Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act) and at the request of the property owner at the time, in July, 2002 the City Council authorized formation of Community Facilities District No. 1 (CFD). Additionally, the Council authorized the levy of special taxes in the CFD, and approved issuance of the City of Hayward Community Facilities District No. 1 (Eden Shores) Special Tax Bonds, (2002 Bonds) in the principal amount of \$9,965,000. As allowed under state law, the proceeds from the sale of the bonds were used to finance construction of various infrastructure improvements, including portions of the roads as well as various utilities (water, sewer and storm drains). The special tax associated with the CFD is designed to generate the revenue stream to pay off the bonds. As noted in 2002, the obligation to retire the bonds rests with the property owners and not the City.

The current owners of the property in the CFD, Standard Pacific Corp. and Legacy Partners (and their affiliates), are asking the City to make two changes with respect to the CFD. These changes do not functionally affect the original CFD purpose; nor do the changes in any way affect the bond holders or the security of the bonds. The property owners are paying the full cost of processing the requested revision.

The Council is being asked to entertain two modifications to the CFD. First, the property owners are asking that two "improvement areas" be created within the overall CFD, one for property being developed by Standard Pacific Corp. and one for property being developed by Legacy Partners. This is a common action within CFDs and will allow each property owner greater flexibility in development options and schedules. Legacy Partners is most interested in this change because Legacy is still finalizing development plans for its property in the CFD, and creation of separate improvement areas will allow Legacy to adjust the apportionment of special

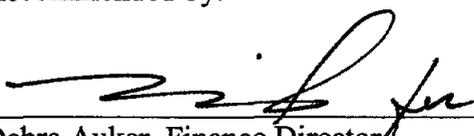
taxes among land uses in the future without involving Standard Pacific Corp. or the purchasers of Standard Pacific's homes.

Second, Standard Pacific has asked for a change in the basis on which special taxes are apportioned among land uses on its property in the CFD: it would like a per-unit special tax rather than a per-acre special tax so that similarly-sized units will pay equivalent special taxes, even if one of the units sits on a larger parcel. This change does not alter the amount of money paid by that portion of land owned by Standard Pacific. It simply changes the basis for assessing owners from parcel size to per-unit. With this change, the owner of an attached unit in FY 2006-07 will pay a maximum of \$910, while the owner of the detached unit will pay maximum of \$1,260. These maximum special tax rates will increase by 2.0% on July 1, 2007 and every July 1 thereafter.

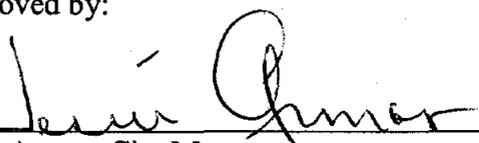
State law establishes certain procedures that are to be followed when modifying a community facilities district. The first step is to adopt a resolution indicating that a change is under consideration. The accompanying resolution serves this purpose. Formal action on the changes, however, can take place only following a noticed public hearing, which hearing can occur no earlier than 30 days after approval of the initial resolution. As a result, a public hearing is scheduled for June 19, 2007. Following the public hearing, assuming there is no majority protest, the City Council calls and holds an election of the property owners in the CFD on the proposed changes. Assuming the vote is favorable, the City Council adopts a resolution of change.

Because the 2002 Bonds are outstanding, the City Council must determine that the proposed changes would not interfere with the timely retirement of the 2002 Bonds or the ability to meet the debt service obligation. Goodwin Consulting Group, Inc. was retained to calculate the maximum tax rates necessary to ensure that the CFD will yield sufficient revenue to retire the bonds. Based on this work, Goodwin reports that the requested changes and accompanying special taxes will produce the required revenue to pay the debt service on the 2002 Bonds. On that basis, the City Council may determine that the proposed changes will not interfere with the timely retirement of the 2002 Bonds.

Recommended by:


Debra Auker, Finance Director

Approved by:


Jesús Armas, City Manager

Attachments:

Resolution of Consideration
Exhibit A: CFD No. 1 Amended and Restated Rate and Method of
Apportionment of Special Tax

EXHIBIT A

**CITY OF HAYWARD
Community Facilities District No. 1
(Eden Shores)**

**AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

EXHIBIT A

COMMUNITY FACILITIES DISTRICT NO. 1 (EDEN SHORES)

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX (AS OF JUNE 19, 2007)

A special tax applicable to each Assessor's Parcel in Community Facilities District No. 1 (Eden Shores) (herein "CFD No. 1") shall be levied and collected according to the tax liability determined by the City Council of the City of Hayward, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed into CFD No. 1 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. Definitions

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" 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, parcel map, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, of Title 5 of the Government Code of the State of California.

"Administrator" shall mean the person or firm designated by the City to administer the Special Tax according to this Amended and Restated Rate and Method of Apportionment of Special Tax.

"APN" means the Assessor's Parcel number assigned by the County assessor to designate an individual Parcel on an Assessor's Parcel Map.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned APN.

"Assessor's Parcel Map" means an official map of the County Assessor designating Parcels by APN.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the City for and on behalf of CFD No. 1 under the Act.

“City” means the City of Hayward.

“City Manager” means the City Manager of the City of Hayward or his/her designee.

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

“County” means the County of Alameda.

“Developed Property” means, in any Fiscal Year, all Taxable Property for which a construction building permit, in addition to a grading permit, was issued prior to May 1 of the previous Fiscal Year.

“Expected Land Uses” means the Residential Units and Acres of residential development, Acres of non-residential development, Acres of Owner Association Property, and Acres of Public Property expected on remaining Undeveloped Property at the time of the Resolution of Change.

“Expected Maximum Special Tax Revenues” means the amount of annual revenue, conservatively estimated by the Administrator, that would be available from Expected Land Uses if the Maximum Special Tax was levied.

“Facilities” means the public improvements defined as Facilities in the Resolution of Intention.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots on which building permits for new construction may be issued without further subdivision and for which no further subdivision is anticipated pursuant to a Tentative Map approved for the property.

“Final Mapped Property” means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property and Public Property, which as of May 1 of the previous Fiscal Year was located within a Final Map. The term Final Mapped Property shall include any parcel map or Final Map, or portion thereof, that creates individual lots for which a building permit may be issued, including parcels that are designated as a remainder parcel.

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

“Improvement Area” means one of the two (2) mutually exclusive geographic areas defined below and identified in Attachment 1 of this Amended and Restated Rate and Method of Apportionment of Special Tax, and any subsequent Improvement Areas created to contain property annexed into CFD No. 1.

“Improvement Area #1” means the geographic area that is commonly referred to as the Standard Pacific Homes development, encompassing Tract 7489 and Tract 7708, and is specifically identified in Attachment 1 hereto as Improvement Area #1.

“Improvement Area #2” means the geographic area that is commonly referred to as the Legacy Partners development and is specifically identified in Attachment 1 hereto as Improvement Area #2.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

“Owner Association Property” means any property within the boundaries of CFD No. 1 owned by a homeowner association or property owner association, including any master or sub-association.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Final Mapped Property and Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Final Mapped Property and Undeveloped Property.

“Public Property” means any property within the boundaries of CFD No. 1 that is owned by the federal government, State of California, or other local governments or public agencies.

“Residential Unit” means an individual single-family detached, half-plex, duplex, triplex, fourplex, townhome, condominium, or apartment unit.

“Resolution of Change” means the Resolution of Change approved by the Council on June 19, 2007.

“Resolution of Intention” means the Resolution of Intention to Establish a Community Facilities District approved by the Council on May 28, 2002.

“Special Tax” means any special tax to be levied each Fiscal Year on Assessor’s Parcels of Taxable Property to fund the Special Tax Requirement. The Special Tax shall be applied to pay for debt service on outstanding Bonds or directly for the Facilities, including appurtenant expenses such as design, engineering, inspection, and financing costs.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds; (ii) create or replenish reserve funds; (iii) cure any delinquencies in the payment of principal or interest on Bonds that have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes that have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected; (iv) pay administrative expenses of the CFD; and (v) pay construction expenses to be funded directly from Special Tax proceeds.

“Square Foot,” “Square Footage,” or “Square Feet” means the square footage reflected on the original construction building permit issued for construction of a residential or non-residential building.

“**Taxable Property**” means all of the Assessors’ Parcels within the boundaries of CFD No. 1 that are not exempt from the Special Tax pursuant to law or Section F below.

“**Tax Zone**” means a mutually exclusive geographic area, within which particular Special Tax rates may be levied pursuant to this Amended and Restated Rate and Method of Apportionment of Special Tax. Attachment 1 identifies the two Tax Zones in CFD No. 1.

“**Tax Zone A**” means the geographic area that is identified as Tract 7489 of the area commonly referred to as the Standard Pacific Homes development and is designated in Attachment 1 of this Amended and Restated Rate and Method of Apportionment of Special Tax as Tax Zone A.

“**Tax Zone B**” means the geographic area that is identified as Tract 7708 of the area commonly referred to as the Standard Pacific Homes development and is designated in Attachment 1 of this Amended and Restated Rate and Method of Apportionment of Special Tax as Tax Zone B.

“**Tentative Map**” means a map approved by the City: (i) showing a proposed subdivision of an Assessor’s Parcel and the conditions pertaining thereto; (ii) that may be based on a detailed survey; and (iii) that is not recorded at the County Recorder’s Office to create legal lots.

“**Undeveloped Property**” means all Taxable Property in CFD No. 1 not classified as Developed Property or Final Mapped Property.

B. Data for Annual Administration of Special Taxes

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for Taxable Property within CFD No. 1. The Administrator shall: (i) determine which Improvement Area each Parcel is located in; (ii) for Parcels located in Improvement Area #1, determine which Tax Zone such Parcels are located in; (iii) categorize each Parcel of Taxable Property as Developed Property, Final Mapped Property, or Undeveloped Property; and (iv) determine the Special Tax Requirement.

If a construction building permit has been issued for development of a structure on an Assessor’s Parcel in Improvement Area #2, and additional structures are anticipated to be built on the Parcel as shown on the approved site plan for such Parcel, a portion of the Acreage of the Assessor’s Parcel shall be taxed as Undeveloped Property if building permits for all of the structures in the approved site plan for the Assessor’s Parcel were **not** issued as of May 1 of the Fiscal Year prior to the Fiscal Year in which the Special Taxes are being levied. If the Acreage assigned to each building anticipated on the Assessor’s Parcel is not clearly delineated on a Tentative Map or a Final Map, the Acreage of the portion of the Assessor’s Parcel to be taxed as Developed Property shall be equal to the structure’s pro rata share of the total Square Footage anticipated on the Assessor’s Parcel, as determined by the City, multiplied by the total Acreage of the Assessor’s Parcel. The remaining Acreage within the Assessor’s Parcel shall be taxed as Undeveloped Property. Determination of the amount of Developed Property and Undeveloped Property on an Assessor’s Parcel shall be at the sole discretion of the City Manager.

C. Maximum Special Tax

1. *Special Tax Rates, Improvement Area #1*

a. *Developed Property*

Table 1 below identifies the Maximum Special Taxes for Developed Property within Improvement Area #1 of CFD No. 1.

TABLE 1
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #1

<i>Tax Zone</i>	<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2006-07</i>
A	Developed Property	\$1,260 per Residential Unit
B	Developed Property	\$910 per Residential Unit

b. *Final Mapped Property*

Table 2 below identifies the Maximum Special Taxes for Final Mapped Property within Improvement Area #1 of CFD No. 1.

TABLE 2
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #1

<i>Tax Zone</i>	<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2006-07</i>
A	Final Mapped Property	\$21,160 per Acre
B	Final Mapped Property	\$15,170 per Acre

In each Fiscal Year, the Maximum Special Tax for Final Mapped Property in Table 2 above shall be recalculated pursuant to the following steps:

- Step 1:** Determine the total Maximum Special Tax that can be collected in each Tax Zone. For Fiscal Year 2006-07, the Maximum Special Tax that can be collected in Tax Zone A is \$174,580, and the Maximum Special Tax the can be collected in Tax Zone B is \$110,920;
- Step 2:** Determine separately the total amount of Special Taxes that can be collected from Developed Property in Tax Zone A and in Tax Zone B;
- Step 3:** For each Tax Zone, subtract the amount determined in Step 2 from the amount determined in Step 1 to calculate the total amount of Special Taxes required to be generated from Final Mapped Property within each Tax Zone;
- Step 4:** For each Tax Zone, divide the amount determined in Step 3 by the total number of Final Mapped Property Acres within each Tax Zone to determine the Maximum Special Tax per Acre for Final Mapped Property for that Fiscal Year.

2. Special Tax Rates, Improvement Area #2

Table 3 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #2 of CFD No. 1.

**TABLE 3
MAXIMUM SPECIAL TAXES
IMPROVEMENT AREA #2**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2006-07</i>
Developed Property	\$9,764 per Acre
Undeveloped Property	\$9,764 per Acre

3. Special Tax Increases

On each July 1, commencing July 1, 2007, the Maximum Special Tax applied to Taxable Property for the Fiscal Year commencing such July 1 shall be increased by two percent (2%) of the respective Maximum Special Tax in effect in the previous Fiscal Year.

D. Back-Up Formula

Each time a new or revised Tentative Map or new or revised Final Map ("Land Use/Entitlement Change") is proposed for an Improvement Area, the Administrator shall recalculate the Expected Maximum Special Tax Revenues based on the proposed Land Use/Entitlement Change. If the proposed Land Use/Entitlement Change will reduce debt service coverage on Outstanding Bonds below the amount committed to in the Bond documents, then, before approval of the Land Use/Entitlement Change, the landowner requesting the Land Use/Entitlement Change shall prepay to the City an amount that corresponds to the lost Maximum Special Tax revenue, as determined by applying the steps set forth in Section I below to prepay the Special Tax. Any such prepayment shall be used by the City to call Bonds.

E. Method of Apportionment of the Special Tax

Commencing with Fiscal Year 2007-08 and for each following Fiscal Year, the City Manager shall determine the Special Tax Requirement to be collected from Taxable Property in CFD No. 1 in the Fiscal Year. The Special Tax shall then be levied as follows:

- First:** The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property that is neither Owner Association Property nor Public Property up to 100% of the Maximum Special Tax for Developed Property, as determined by reference to Section C above;
- Second:** If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first step has been applied, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property and Undeveloped Property that is neither Owner Association Property nor Public Property up to 100% of the Maximum Special Tax for Final Mapped Property and Undeveloped Property, respectively, as determined by reference to Section C above;
- Third:** If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Owner Association Property, using the Maximum Special Tax rate for Undeveloped Property in Improvement Area #2; and
- Fourth:** If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Public Property that is Taxable Property, using the Maximum Special Tax rate for Undeveloped Property in Improvement Area #2.

F. Limitations

As provided in Sections 53317.3 and 53317.5 of the Act, land that subsequently becomes Public Property will continue to be subject to Special Taxes on the terms and in the priorities set forth in Section E above, except that sports park property will not be subject to Special Taxes once it becomes owned by the City (designated as Lot A on the boundary map for CFD No. 1). In any event, no Special Taxes shall be levied on Owner Association Property or Public Property unless it is necessary to satisfy the Special Tax Requirement pursuant to Section E above.

Language in this Amended and Restated Rate and Method of Apportionment of Special Tax pertaining to one Improvement Area is subject to amendment without the participation of property owners in other Improvement Areas.

G. Appeals

Any taxpayer who believes that the amount of the Special Tax has been incorrectly calculated may file a written notice with the City Manager appealing the Special Tax. Any such notice of appeal must be filed by January 1 of the Fiscal Year for which the Special Tax in question has been levied. The City Manager will then promptly review all such timely-filed appeals, and at the City Manager's discretion, meet with the appellant. If the City Manager determines that the Special Tax should be modified, the Special Tax shall be corrected and, if applicable, a refund for Special Taxes paid shall be granted.

H. Manner of Collection

The Special Taxes will be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that prepayments are permitted as set forth in Section I below and provided further that the City Manager may directly bill the Special Taxes and may collect Special Taxes at a different time or in a different manner as set forth in the proceedings for the formation of CFD No. 1.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and the Facilities to be constructed from Special Tax proceeds have been completed. However, in no event shall a Special Tax be levied after Fiscal Year 2037-2038.

I. Prepayment of Special Tax

The following definitions apply to this Section I:

"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.

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued on behalf of the CFD prior to the date of prepayment.

The Special Tax obligation applicable to an Assessor’s Parcel in CFD No. 1 may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor’s Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Determine the greater of: (i) the total Maximum Special Tax that could be collected from the Assessor’s Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City; or (ii) the Maximum Special Tax that could be collected from the Parcel at buildout based on anticipated land uses at the time the prepayment is calculated. In the event of a prepayment pursuant to Section D, compute the amount by which the Maximum Special Tax revenues will be reduced and use the amount of this reduction as the figure for purposes of this Step 1.

- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor’s Parcel by the lesser of: (i) the Maximum Special Tax revenues that could be collected in that Fiscal Year; or (ii) the Maximum Special Tax revenues that could be generated in that Fiscal Year assuming

property in CFD No. 1 is built out based on anticipated land uses at the time the prepayment is calculated.

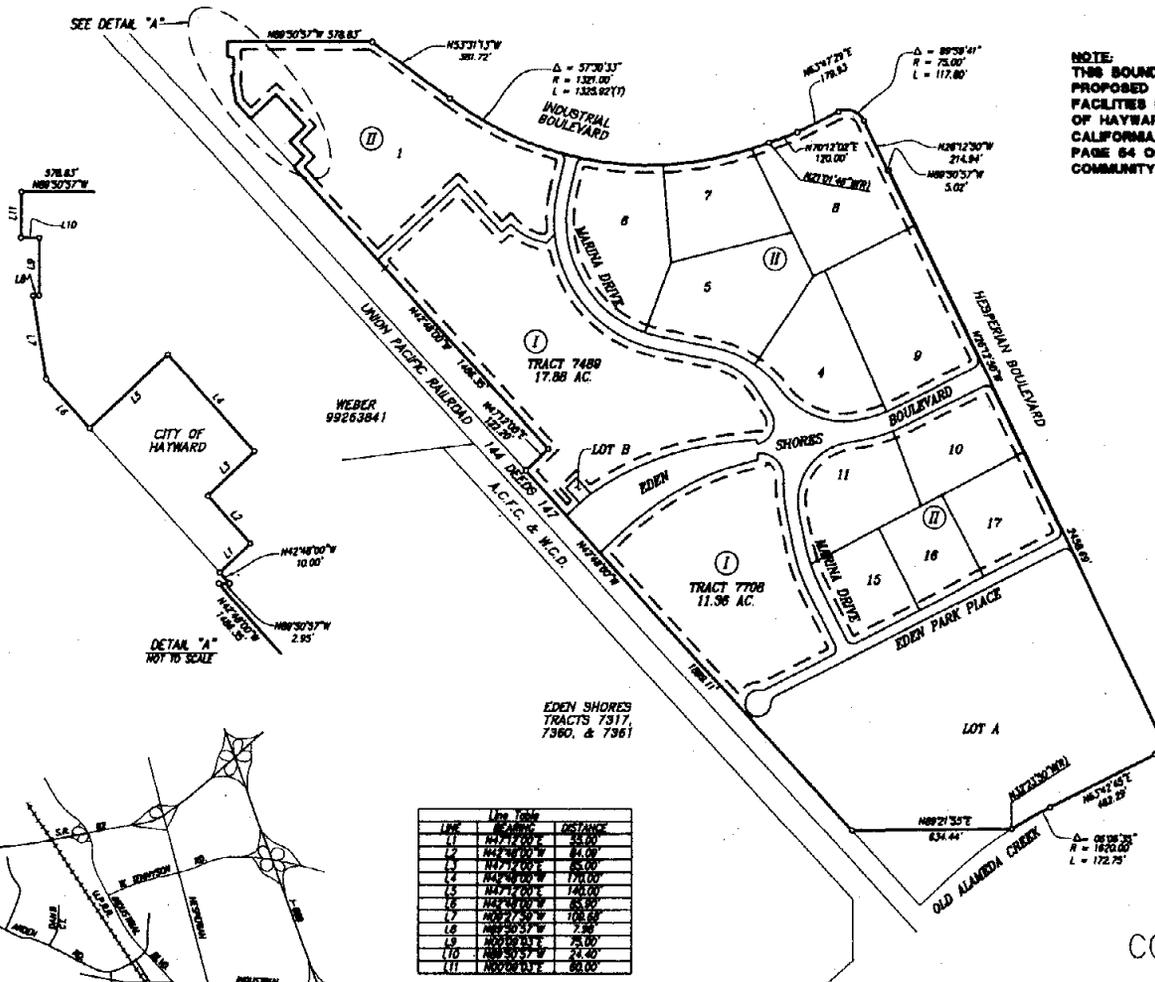
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "**Bond Redemption Amount**").
- Step 4.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "**Redemption Premium**").
- Step 5.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 5, 6, and 7 of this prepayment formula will not apply.
- Step 6.** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7.** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (the "**Defeasance Requirement**").
- Step 8.** Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, the costs of recording any notices to evidence the prepayment and the redemption, and any other administrative costs (the "**Administrative Fees and Expenses**").
- Step 9.** If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "**Reserve Fund Credit**").
- Step 10.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the "**Prepayment Amount**").
- Step 11.** The amounts computed pursuant to Steps 3, 4, and 7, less the amount computed pursuant to Step 9, shall be deposited in the appropriate fund established under the Indenture and used to retire Outstanding Bonds or make debt service payments. The amount determined in Step 8 shall be deposited in the fund established to pay Administrative Expenses.

With respect to any Parcel that prepays its Special Tax obligation in full, the Administrator shall cause a notice to be recorded in compliance with the Act to release the Special Tax lien on such Parcel, and the obligation of such Parcel to pay the Special Tax shall cease.

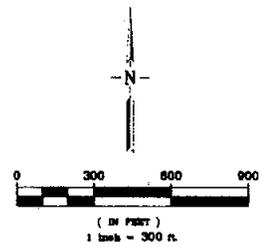
A partial prepayment may be made only as required pursuant to Section D; the amount may be equal to any percentage of full prepayment. The Maximum Special Tax that can be levied on an Assessor Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of a full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

ATTACHMENT 1

**IMPROVEMENT AREAS AND TAX ZONES OF
CITY OF HAYWARD
COMMUNITY FACILITIES DISTRICT No. 1
(EDEN SHORES)**



NOTE:
 THIS BOUNDARY MAP AMENDS THE MAP OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 1 (EDEN SHORES), CITY OF HAYWARD, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, ON JULY 8, 2002, IN BOOK 18 AT PAGE 84 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS.



City Clerk's Certificate

1. Filed in the office of the City Clerk of the City of Hayward this ____ day of _____, 200__.

 City Clerk

2. I hereby certify that the within map showing proposed boundaries of Community Facilities District No. 1 (Eden Shores), City of Hayward, County of Alameda, State of California, was approved by the City Council of the City of Hayward, at a meeting thereof, held on the ____ day of _____, 200__ by its Resolution No. _____.

 City Clerk

3. Filed this ____ day of _____, 200__, at the hour of ____ o'clock ____ m., in Book ____ of Maps of Assessment and Community Facilities Districts at Page ____ in the office of the County Recorder in the County of Alameda, State of California.

 County Recorder, County of Alameda

EDEN SHORES TRACTS 7317, 7360, & 7361

LINE	BEARING	DISTANCE
11	N47°12'00"E	24.00
12	N23°28'00"E	24.00
13	N47°12'00"E	25.00
14	N47°00'00"W	17.00
15	N47°12'00"E	74.00
16	N47°00'00"W	25.00
17	N23°28'00"E	20.00
18	N23°28'00"E	7.50
19	N23°28'00"E	75.00
110	N23°28'00"E	23.40
111	N23°28'00"E	50.00

IMPROVEMENT AREA	PARCEL NUMBERS	AREA
①	TRACT 7489: LOTS 1-12R, PARCELS A-K, ALL PRIVATE STREETS TRACT 7708: LOTS 1-18, PARCELS A-C	29.24 AC
②	TRACT 7065: LOTS 1, 4-11, 15-17	56.40 AC

LEGEND

- PROPOSED DISTRICT BOUNDARY
- LOT LINE
- - - - - IMPROVEMENT AREA BOUNDARY

PROJECT SITE

VICINITY MAP
 NOT TO SCALE

AMENDED MAP OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 1 (EDEN SHORES)

CITY OF HAYWARD,
 County of Alameda, State of California



1111 CIVIC DRIVE, SUITE 110 • WALMUT CREEK, CA 94596
 PHONE: (925) 935-7710 • FAX: (925) 935-7763

C:\WORK\020408\COMMIT\070 MAP\070 MAP.DWG (1/19/2007 5:02:27 PM) NOC.DWG

DRAFT

CITY OF HAYWARD

Resolution No. 07-

Introduced by Council Member _____

mae
4/23/07

**RESOLUTION OF CONSIDERATION TO AMEND AND
RESTATE THE RATE AND METHOD OF
APPORTIONMENT OF SPECIAL TAX AND FORM
IMPROVEMENT AREAS FOR COMMUNITY FACILITIES
DISTRICT NO. 1 (EDEN SHORES)**

WHEREAS, the City Council of the City of Hayward (the "City") had conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Act"), to form City of Hayward Community Facilities District No. 1 (Eden Shores) (the "CFD"), to authorize the levy of special taxes upon the land within the CFD, and to issue bonds secured by the special taxes, all as described in those proceedings; and

WHEREAS, the City previously issued the City of Hayward Community Facilities District No. 1 (Eden Shores) Special Tax Bonds, Series 2002 (the "2002 Bonds") in the initial principal amount of \$9,965,000; and

WHEREAS, the Rate and Method of Apportionment of Special Tax for the CFD (the "Rate and Method"), attached as Exhibit B to the City Council's Resolution No. 02-103 adopted by the City Council on July 9, 2002, authorizes the levy of a "Special Tax" in the CFD in any fiscal year to pay the "Special Tax Requirement"; and

WHEREAS, pursuant to petitions received by the City, the City has been asked by the owners of the property in the CFD to form two improvement areas within the CFD, and to amend the Rate and Method to reflect the improvement areas; and

WHEREAS, the purpose of the proposed amendment to the Rate and Method and formation of the two improvement areas is to give the property owners in one improvement area the ability, pursuant to Section 53350 of the Act, to pursue further changes to the Rate and Method in the future as it applies to their respective properties without seeking the approval of the property owners in the other improvement area; and

WHEREAS, the City Council has determined that the proposed amendment and restatement of the Rate and Method and formation of the two improvement areas would not interfere with the timely retirement of the Series 2002 Bonds; and

WHEREAS, the proposed changes must occur following a public hearing and must be approved by two-thirds of the votes cast on the proposition at an election of the qualified electors in the CFD.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. Name of Affected Area. This Resolution relates to the property in the CFD and the Rate and Method for the CFD. Pursuant to Section 53350 of the Act, the City Council hereby designates a portion of the CFD as "Improvement Area No. 1 of the City of Hayward Community Facilities District No. 1 (Eden Shores)" ("Improvement Area No. 1") and the other portion of the CFD and "Improvement Area No. 2 of the City of Hayward Community Facilities District No. 1 (Eden Shores)" ("Improvement Area No. 2"; together with Improvement Area No. 1, the "Improvement Areas").
2. Approval of Amended Boundary Map. The external boundaries of the CFD are as set forth in the map of the CFD previously recorded in the Alameda County Recorder's Office on July 8, 2002 in Book 15 at Page 54 of Maps and Assessment and Community Facilities Districts. The City Council hereby approves an amended map of the CFD, in the form on file with the City Clerk, to show the boundaries of the two Improvement Areas. The City Clerk is hereby directed to record, or cause to be recorded, such map, in the office of the Alameda County Recorder, within 10 days of the City Council's adoption of a Resolution of Change.
3. Amendment and Restatement of the Rate and Method. The proposed amended and restated Rate and Method (the "Amended and Restated Rate and Method") in the form attached hereto as Exhibit A and incorporated herein by reference is hereby approved by this City Council, subject to approval by two-thirds of the votes cast on the proposition of amending and restating the Rate and Method at an election of the qualified electors in the CFD.
4. Findings Regarding the 2002 Bonds. The City Council hereby finds that the proposed Amendment and Restatement of the Rate and Method and Formation of the two improvement areas will not interfere with the timely retirement of the Series 2002 Bonds.
5. Public Hearing. The City Council hereby sets June 19, 2007 at 8:00 p.m. (which date is at least 30 days and not more than 60 days after the date of this resolution) or as soon thereafter as possible in the City Council Chambers located at 777 B Street, Hayward, California, as the date and time for the public hearing on the question of forming the Improvement Areas and amending and restating the Rate and Method.

