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CITY OF SAN JOSE

COMMUNITY FACILITIES DISTRICT No. 5B  
(NORTH COYOTE VALLEY SERVICES)

COMMUNITY FACILITIES DISTRICT REPORT

*Prepared for:*

CITY OF SAN JOSE  
Santa Clara County  
California

*Prepared by:*

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June 19, 2001

**CITY OF SAN JOSE**  
**Community Facilities District No. 5B**  
**(North Coyote Valley Services)**

**COMMUNITY FACILITIES DISTRICT REPORT**

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**CITY OF SAN JOSE**  
**Community Facilities District No. 5B**  
**(North Coyote Valley Services)**

**INTRODUCTION**

**WHEREAS**, on April 3, 2001 this Council adopted a resolution entitled "A Resolution of the City Council of the City of San Jose of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein" (the "Resolution of Intention"), stating its intention to form Community Facilities District No. 5B (North Coyote Valley Services) (the "CFD"), of the City pursuant to the San Jose City Charter and Chapter 14.27 of the San Jose Municipal Code, which incorporates and modifies the Mello-Roos Community Facilities Act of 1982, as amended. In the Resolution of Intention, the Council expressly ordered the preparation of a written Community Facilities District Report (the "Report"), for the proposed CFD.

The Resolution of Intention ordering the Report did direct that the Report generally contain the following:

1. A description of the Services by type which will be required to adequately meet the needs of the CFD; and
2. An estimate of the fair and reasonable cost of the Services included therewith.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Council.

**NOW, THEREFORE, I**, the Director of Public Works, do hereby submit the following data:

**A. DESCRIPTION OF SERVICES.** A general description of the proposed Services are as shown in Exhibit "A" attached hereto and hereby made a part hereof.

**B. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the CFD are those properties and parcels in which special taxes may be levied to pay for the costs and expenses of the Services. The proposed boundaries of the CFD are described on the map of the CFD on file with the City Clerk, to which reference is hereby made.

**C. COST ESTIMATE.** The cost estimate for the Services for the CFD is set forth in Exhibit "B" attached hereto and hereby made a part hereof.

... D. **RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES.** The rate and method of apportionment of special taxes for the CFD is set forth in Exhibit "C" attached hereto and hereby made a part hereof.

Dated as of April 27, 2001

By: Rajeev Babar  
Director of Public Works  
City of San Jose

**EXHIBIT A**

**CITY OF SAN JOSE  
Community Facilities District No. 5B  
(North Coyote Valley Services)**

**PUBLIC SERVICES TO BE PROVIDED BY  
COMMUNITY FACILITIES DISTRICT NO. 5B  
(NORTH COYOTE VALLEY SERVICES)**

The Services shown below are proposed to be financed by Community Facilities District No. 5B (North Coyote Valley Services) (the "CFD") of the City of San Jose (the "City"), and consist of the following:

- a) Landscape maintenance of roadway medians within the boundaries of the District.
- b) Litter maintenance of the flood control detention facility and associated flood control channels within the boundaries of the District.
- c) Landscape maintenance of the grade separation slopes located at Bailey Avenue at Monterey Road and Arterial "A" at Monterey Road.
- d) Landscape and trail maintenance along Santa Teresa Blvd. abutting the flood control detention facility and landscape and trail maintenance in and along the flood control detention and flood control channel improvements, excluding any mitigation areas for the Santa Clara Valley Water District within the boundaries of the District.
- e) Operation and maintenance of roadway bridge lighting within the boundaries of the District.
- f) Maintenance of special pavement treatment within and benefiting Development Group No. 1.

**EXHIBIT B**

**CITY OF SAN JOSE  
Community Facilities District No. 5B  
(North Coyote Valley Services)**

**COST ESTIMATE**

The following table summarizes the annual cost that will be financed by the parcels within the boundaries of the District. These costs are 2001 dollars and may be increased in future years.

**Services Items**

**Phase I - Services**

Roadway medians, grade separation slopes, trails, landscaping along Santa Teresa over the Detention Facility	\$790,000.00
Detention Facility and Channel (north of Bailey)	\$30,000.00
Bridge Lighting (Bailey Grade Separation)	\$10,000.00
Special Pavement Maintenance (Development Group No. 1 Only)	<u>\$7,000.00</u>
Subtotal	\$837,000.00

**Phase II - Services**

Roadway medians, grade separation slopes, trails, Freeway Interchange Slopes	\$515,000.00
Flood Control Channel (south of Bailey)	<u>\$5,000.00</u>
Subtotal	\$520,000.00

**Total** **\$1,357,000.00**

## EXHIBIT C

### CITY OF SAN JOSE Community Facilities District No. 5B (North Coyote Valley Services)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

A Services Special Tax shall be levied on all Taxable Parcels within Community Facilities District No. 5B (North Coyote Valley Services) (the "District"), and collected according to the Rate and Method of Apportionment of Special Taxes described herein.

All Services Special Tax payments shall be collected by the Santa Clara County Tax Collector's Office through property tax billings.

#### DEFINITIONS

**Building Permit:** Means a Building Permit issued by the City and having an improvement valuation over \$100,000. Building Permits for the construction of ancillary structures such as fences, retaining walls, etc and tenant improvements are excluded.

**City:** Means the City of San Jose.

**Development Group No. 1:** Means the grouping of following Assessor parcels, including any subsequent segregations or consolidations of parcels (708-25-001, 708-25-002, 708-26-001, 708-26-002, 708-27-001, 708-27-002, 708-27-007, 708-27-012, 708-27-013, 708-28-002, 708-30-008, 708-30-011 and 708-30-012)

**District:** Means Community Facilities District No. 5B (North Coyote Valley Services).

**Exempt Parcels:** Means all parcels owned by the State, Federal or other Local Government, including, but not limited to, any parcel or portion thereof dedicated to a public agency for the purposes of constructing, operating and/or maintaining a flood control detention facility, flood control channels, water well sites, fire station, open space and green belts.

**Final Tract Map for Housing:** Means a Final Tract Map issued by the City for housing use.

**Fiscal Year:** Means the period starting on July 1 and ending the following June 30.

**Gross Acreage:** Means the underlying acreage associated with a Final Tract Map for Housing, which includes all areas, including developable areas, rights of way, easements, open space, etc.

**Projected Improved Square Feet:** Means the underlying Gross Acreage associated with a Final Tract Map for Housing multiplied by 11,542.97 sq. ft. per Gross Acre.

**Services:** Means the maintenance of the improvements defined below:

- a. Landscape maintenance of roadway medians within the boundaries of the District.
- b. Litter maintenance of the flood control detention facility and associated flood control channels within the boundaries of the District.
- c. Landscape maintenance of the grade separation slopes located at Bailey Avenue at Monterey Road and Arterial "A" at Monterey Road.
- d. Landscape and trail maintenance along Santa Teresa Blvd. abutting the flood control detention facility and landscape and trail maintenance in and along the flood control detention and flood control channel improvements, excluding any mitigation areas for the Santa Clara Valley Water District within the boundaries of the District.
- e. Operation and maintenance of roadway bridge lighting within the boundaries of the District.
- f. Maintenance of special pavement treatment within and benefiting Development Group No. 1.

**Services Special Tax:** Means a Services Special Tax levied on a Taxable Parcel of land within the District each Fiscal Year not to exceed \$0.75 per improved square foot.

**Taxable Parcel:** Means an Assessor parcel within the boundaries of the District that is not classified as an Exempt Parcel.

### CALCULATION OF SERVICES SPECIAL TAXES

The calculation of the Services Special Taxes will be as follows:

- 1) By June 30 of each year the City will determine the total revenue needed to fund Services for the ensuing Fiscal Year.



- 2) The total revenue needed to fund Services for the ensuing Fiscal Year, except maintenance for the special pavement treatment for Development Group No. 1 parcels for the ensuing Fiscal Year will be spread to each Assessor parcel within the boundaries of the District (including subsequent segregations) for which a Building Permit or Final Tract Map for Housing has been issued prior to July 1. The total revenue needed to fund the Services for the ensuing Fiscal Year will be allocated proportionately to each Assessor parcel based upon their improved square footage for which a Building Permit has been issued. If a Final Tract Map for Housing has been issued and Building Permits have not been issued for the housing units associated with that Final Tract Map for Housing, then the number of Projected Improved Square Feet for which the Final Tract Map for Housing has been issued will be used, until such time actual Building Permits are issued. In order to calculate the Projected Improved Square Feet for which a Final Tract Map for Housing has been issued, multiple the underlying Gross Acreage associated with the Final Tract Map for Housing by 11,542.97 sq.ft. per Gross Acre. Once Building Permits are issued for the housing units, the actual improved square footage indicated on the Building Permit will be used instead of the Project Improved Square Feet.
  
- 3) The total revenue needed to fund the maintenance of the special pavement treatment within Development Group No. 1 parcels will be spread entirely to the Development Group No. 1 parcels proportionately based upon their improved square footage for which the Building Permit or their Projected Improved Square Feet associated with the Final Tract Map for Housing has been issued prior to July 1.

**SAMPLE PAYMENT CALCULATION OF SERVICES SPECIAL TAX**

- 1) Assume that the following five (5) Building Permits have been issued within the boundaries of the District prior to July 1, 2002.

Permits Issued Prior to July 1, 2002

Assessor Parcel No.	Building Permit Sq. Ft
708-25-001	190,000
708-25-002	150,000
708-26-001	500,000
708-26-002	500,000
708-27-001	<u>300,000</u>
Total	1,640,000

- 2) Assume that the FY 2002-03 Services are estimated to cost \$400,000 as determined by the City.

- 3) Prorate the FY 2002-03 Services costs to each Assessor parcel based upon their proportionate number of improved square feet as indicated on the Building Permit as shown below.

**FY 2002-03 Services Special Tax Calculation**

Assessor Parcel No.	Building Permit Sq. Ft	FY 2002-03 Services Special Tax
708-25-001	190,000	\$46,341.46
708-25-002	150,000	\$36,585.37
708-26-001	500,000	\$121,951.22
708-26-002	500,000	\$121,951.22
708-27-001	<u>300,000</u>	<u>\$73,170.73</u>
<b>Total</b>	<b>1,640,000</b>	<b>\$400,000.00</b>

- 4) Assume that in the next Fiscal Year a Final Tract Map for Housing has been issued prior to July 1, 2003. The Final Tract Map for Housing encompasses 21 acres and is located on Assessor parcel No. 712-03-095.
- 5) The Projected Improved Square Feet associated with Assessor parcel No. 712-03-095 would be 242,402 sq. ft (21 acres x 11,542.97 sq. ft./acre).
- 6) Assume that the FY 2003-04 Services are estimated to cost \$500,000 as determined by the City.
- 7) Prorate the FY 2003-04 Services costs to each Assessor parcel based upon their proportionate number of improved square feet as indicated on the Building Permit or the Projected Improved Square Feet as shown below.

**FY 2003-04 Services Special Tax Calculation**

Assessor Parcel No.	Building Permit Sq. Ft	Projected Improved Sq. Ft.	FY 2003-04 Services Special Tax
708-25-001	190,000	0	\$50,467.43
708-25-002	150,000	0	\$39,842.71
708-26-001	500,000	0	\$132,809.04
708-26-002	500,000	0	\$132,809.04
708-27-001	300,000	0	\$79,685.42
712-03-095	<u>0</u>	<u>242,402</u>	<u>\$64,386.36</u>
<b>Total</b>	<b>1,640,000</b>	<b>242,402</b>	<b>\$500,000.00</b>

**COLLECTION OF THE SERVICES SPECIAL TAXES**

Each year, the City's Finance Department will coordinate with the Santa Clara County Tax Collector's office to have the Services Special Tax for each applicable Assessor parcel placed on the secured property tax roll.