



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

**Department: Public Works**

**Prepared by: April Miller, Public Works Director  
Thomas Wong, Senior  
Management Analyst**

**City Manager Approval:** \_\_\_\_\_

**TOPIC: THE VILLAGE AT LOCH LOMOND MARINA – MELLO-ROOS DISTRICT NO. 2**

**SUBJECT: RESOLUTION SETTING THE SPECIAL TAX FOR CITY OF SAN RAFAEL COMMUNITY FACILITIES DISTRICT NO. 2 (THE VILLAGE AT LOCH LOMOND MARINA) FOR FISCAL YEAR 2023-24**

**RECOMMENDATION:**

Adopt a resolution setting the special tax rates for fiscal year 2023-24 for Community Facilities District No. 2 – the Village at Loch Lomond Marina.

**BACKGROUND:** In August 2007, the City granted land use and subdivision approvals for the Village at Loch Lomond Marina development. The Loch Lomond development project is a mixed-use development which includes the construction of single-family homes, flats, townhomes, and commercial facilities and the existing marina. The project originally included the approval of 81 residential units, 17 of which were below-market units. In 2020, the developer and City reached an agreement on an in-lieu fee for six of the below-market units, leaving 11 below-market units in the district at present.



*Loch Lomond Marina Community Facilities District No. 2 Boundaries*

As one condition of approving the project, the City required the developer, Marina Village Associates (MVA), to provide certain park and recreation improvements and to impose a special tax on homes in the development in order to pay for the maintenance of the landscaping, streets, sidewalks and wetland monitoring.

By adoption of [Resolution No. 13014](#) on July 19, 2010, the City Council officially formed the community facilities district, which included all the parcels within the Village at Loch Lomond Marina Subdivision, as “City of San Rafael Community Facilities District No. 2” (District), pursuant to the Mello-Roos Community

**FOR CITY CLERK ONLY**

**Council Meeting:**

**Disposition:**

Facilities Act of 1982 ([Government Code sections 53311 - 53368.3](#)). It should be noted that the residential Below Market Rate (BMR) units within the district are exempt from the annual special tax.

The facilities to be maintained by the Loch Lomond #2 CFD include:

- The Marina Green and Boardwalk
- Kayak Launch
- Park Play Equipment and Area
- Pedestrian pathways along the west jetty/spit and east jetty/spit
- Viewing areas along the west jetty/spit, east jetty/spit
- Public restrooms (2), one on the east jetty/spit and one at the entrance to the breakwater
- Fishing cleaning station located near the entrance to the breakwater
- Park and informational signs within these areas
- Lawn/turf, shrubs and ground cover, irrigation systems, storm water drainage inlets within the boundaries of the area, lighting pole standards, and fixtures above the foundation, benches, trash receptacles and bicycle racks
- Conservation/seasonal wetland area
- Roadways and sidewalks

While some of these facilities require regular maintenance (e.g., landscaping and restroom maintenance), others will need to build up reserves over a longer period of time in order to fund future repairs or reconstruction (e.g., playground structure, roads, pedestrian pathways).

The special tax has two components:

**1. Capital Reserve**

A portion of the annual assessment is set aside to fund larger, long-term capital improvements such as the eventual replacement of pavement, curb and gutter, roadway and other improvements that were constructed as a part of the development. At the end of the useful life of these large-scale public improvements, enough funds need to have been accumulated to replace them – e.g., resurfacing the access road, etc.

As of June 30, 2023, the Capital Reserve Fund is projected to have a fund balance of \$459,124, and an additional \$128,000 will be added this year. As shown in Part B of the Engineer's Report, at the end of fiscal year 2023-2024, fund balance is anticipated to be \$587,124 before unforeseen distributions in fiscal year 2023-2024.

**2. Annual Maintenance**

The other portion of the annual special tax is to fund the regular and annual maintenance activities required to maintain the District's public facilities such as landscaping of medians and pathways, garbage service, restroom maintenance and the semi-annual monitoring of wetland habitats.

This fiscal year, the District contracted with Forester and Kroeger to provide this service in a manner similar to the level of maintenance that is provided at other City parks. It has become apparent that the contracted level of maintenance for both the grounds and landscaping are less than what the residents desire. The owner of the marina, Safe Harbor Marinas, has continued to assist with the responsibility for the ground maintenance. During fiscal year 2023-24, the City will be working with the Master Village Association to determine an appropriate level of maintenance

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that can be sustained using District funding. The budgets for fiscal year 2023-24 indicated in Part B, reflect an increased level of maintenance that has been requested by the residents.

The special tax was first levied during the fiscal year 2017-18, based on upon the progress being made on construction of the subdivision improvements. It was imperative that funds be collected for annual maintenance since the improvements were being used by residents and the public.

However, various construction delays resulted in the developer, Marina Village Associates, LLC, not finishing the improvements that year as anticipated. Various punch-lists were provided to the developer and on February 15, 2022, the City accepted the landscaping and streets, drainage, and other facilities with the exception of the Central Jetty park, adjacent parking and restroom and the Breakwater connector, adjacent parking, and restroom. Since then, the Breakwater Access Trail and East Jetty Park are almost complete, and the restrooms have been opened.

Currently, the Home Owner’s Association (HOA) is working with Forster & Kroeger to maintain the facilities at the level which the public has come to expect.

**ANALYSIS:** Since the first-year assessments were levied in fiscal year 2017-18, the history of assessments has been as followed:

		<i>Residential (per unit)</i>	<i>Non-Residential (per sq ft)</i>	<i>Marina (lump sum)</i>
<b>FY 2017-18</b>	Max. allowable	\$1,948	\$0.92	\$59,260
	<b>Actual</b>	<b>\$1,948</b>	<b>\$0.92</b>	<b>\$59,260</b>
<b>FY 2018-19</b>	Max. allowable	\$2,439	\$1.15	\$74,216
	<b>Actual</b>	<b>\$760</b>	<b>\$0.36</b>	<b>\$23,112</b>
<b>FY 2019-20</b>	Max. allowable	\$3,152	\$1.49	\$95,927
	<b>Actual</b>	<b>\$760</b>	<b>\$0.36</b>	<b>\$23,112</b>
<b>FY 2020-21</b>	Max. allowable	\$3,193	\$1.51	\$97,155
	<b>Actual</b>	<b>\$1,597</b>	<b>\$0.75</b>	<b>\$48,576</b>
<b>FY 2021-22</b>	Max. allowable	\$3,193	\$1.51	\$97,155
	<b>Actual</b>	<b>\$1,597</b>	<b>\$0.75</b>	<b>\$48,576</b>
<b>FY 2022-23</b>	Max. allowable	\$3,315	\$1.57	\$100,857
	<b>Actual</b>	<b>\$2,203.18</b>	<b>\$1.04</b>	<b>\$67,034.60</b>
<b>FY 2023-24</b>	Max. allowable	\$3,611.99	\$1.70	\$109,899.14
	<b>Actual (proposed)</b>	<b>\$2,533.66</b>	<b>\$1.19</b>	<b>\$77,089.80</b>

The fiscal year 2023-24 Engineer’s Report recommends the District assess properties in the District at an amount of \$2,533.66 per residential unit. Since City maintenance of some of the public facilities has not yet begun, there is available fund balance to use towards the annual maintenance costs for fiscal year 2023-24 and therefore the maximum assessment does not need to be levied. However, an assessment which goes towards the capital reserve fund still must be levied at the full amount since the facilities must eventually be replaced.

Adjustments to the maximum allowable assessment reflect an increase in inflation from the base year of June 2010. The increases are based on the Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward region.

The fiscal year 2023-24 assessment will generate \$280,923.50 in revenues, of which \$128,000 will be applied towards the Capital Reserve Fund, as consistent with the capital reserve set-aside policies in the Engineer's Report. The remaining \$152,923.50 will go towards the Annual Maintenance Fund with proposed maintenance expenditures as follows (the difference in the total cost of annual maintenance of \$294,846.18 will be made up with fund balance):

***Fiscal Year 2023-2024 Expenses***

**Maintenance**

Uncollected Assessments (2023-2024) at 5%	\$ 14,046.18
Restroom Cleaning and Maintenance	\$ 29,000.00
Restroom Supplies	\$ 2,400.00
Litter/Garbage Removal	\$ 35,000.00
Landscape Maintenance	\$ 54,000.00
Tree Care	\$ 12,000.00
Playground Equipment Inspection	\$ 1,600.00
Irrigation Repairs and Maintenance	\$ 18,000.00
Street Sweeping	\$ 800.00
Storm Drain Maintenance	\$ 10,300.00
Storm Response	\$ 1,500.00
Wetlands Maintenance	\$ 13,000.00
Utility Costs (Water, Sewer and Electrical)	\$ 77,200.00
Annual Engineer's Report	\$ 7,000.00
County/City Administrative Fee	\$ 1,000.00
Management Fee	\$ 18,000.00
<b>Total Maintenance Expenses</b>	<b>\$ 294,846.18</b>

**Special Charges**

Signs	\$ 4,926.00
Bench Painting	\$ 2,000.00
Misc. Paver Repairs	\$ 1,500.00
Light Fixture Repairs	\$ 1,000.00
Slurry Seal	\$ 15,000.00
<b>Total Special Charges Expenses</b>	<b>\$ 23,926.00</b>

<b>Total Maintenance and Special Charges</b>	<b>\$ 319,272.18</b>
<b>Annual Capital Reserve Fund Contribution</b>	<b>\$ 128,000.00</b>
<b>Total Loch Lomond CFD #2 FY 2023-24 Expenditures</b>	<b>\$ 447,272.18</b>

The special tax is not term-based, nor does it sunset. The special tax will continue to be levied in perpetuity as specified in the formation documents.

Staff prepared a City Council resolution to levy the required special tax for fiscal year 2023-24. The special taxes would be included on the County property tax bills and collected by the County of Marin.

**FISCAL IMPACT:** The fiscal year 2023-24 assessment will generate \$280,923.50 in revenue required to support maintenance and capital reserves towards the new City facilities in the Community Facilities District No. 2. All special tax revenues and expenditures related to the District will be maintained in the Loch Lomond Marina Assessment District Fund (Fund no. 237).

**OPTIONS:**

The City Council has the following options to consider on this matter:

1. Adopt the resolution as presented setting the special tax rates for fiscal year 2023-24.
2. Adopt the resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

**RECOMMENDED ACTION:**

Adopt a resolution setting the Mello-Roos Special Tax for City of San Rafael Community Facilities District No. 2 for Fiscal Year 2023-24.

**ATTACHMENTS:**

1. Resolution Setting the Mello-Roos Special Tax for City of San Rafael Community Facilities District No. 2 for Fiscal Year 2023-24
2. Annual Engineers Report for Loch Lomond CFD No. 2

**RESOLUTION NO.**

**A RESOLUTION OF THE SAN RAFAEL CITY COUNCIL SETTING THE SPECIAL TAX FOR CITY OF SAN RAFAEL COMMUNITY FACILITIES DISTRICT NO. 2 (THE VILLAGE AT LOCH LOMOND MARINA) FOR FISCAL YEAR 2023-24**

**WHEREAS**, on July 19, 2010, the San Rafael City Council by Resolution No. 13014 formed the City of San Rafael Community Facilities District No. 2 (hereafter "CFD No. 2"); and

**WHEREAS**, the landowners of CFD No. 2 voted in a mail ballot election called by the City Council by Resolution No. 13015, and unanimously approved the imposition of a special district tax; and

**WHEREAS**, on August 16, 2010, the City Council adopted Ordinance No. 1886 levying special taxes within CFD No. 2; and

**WHEREAS**, on or about August 16, 2010, the City of San Rafael prepared and caused to be recorded a "Notice of Special Tax Lien" for all of the parcels within CFD No. 2, which specified the facilities and services to be funded by the tax and the approved method for establishing a rate and calculating the apportionment of the tax; and

**WHEREAS**, at the request of the Director of Public Works, Al Cornwell, City of San Rafael has prepared an Engineer's Annual Report for Community Facilities District No. 2 for Fiscal Year 2023-24 recommending the amount of the special taxes to be assessed; and

**WHEREAS**, the City Council wishes to set the specific tax rate to be imposed on the parcels within CFD No. 2 in Fiscal Year 2023-24;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of San Rafael hereby sets the amount of the special tax to be imposed on all nonexempt parcels within CFD No. 2 for Fiscal Year 2023-24, as set forth in the Engineer's Annual Report for fiscal year 2023-24 on file with the City Clerk and incorporated herein by reference.

I, LINDSAY LARA, City Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of said City held on Monday, the 17<sup>th</sup> day of July 2023, by the following vote, to wit:

AYES: COUNCILMEMBERS:  
NOES: COUNCILMEMBERS:  
ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk

**ENGINEER'S ANNUAL REPORT**  
**FOR**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
**LOCH LOMOND MARINA AND THE STRAND**

**2023-2024**

**FOR THE CITY OF SAN RAFAEL**

**CALIFORNIA**

**COUNCIL MEETING**

**JULY 17, 2023**

**Prepared By:**  
**City of San Rafael**

**ENGINEER'S ANNUAL REPORT  
2023-2024**

COMMUNITY FACILITIES DISTRICT NO. 2 LOCH LOMOND MARINA AND THE  
STRAND  
CITY OF SAN RAFAEL, MARIN COUNTY, CALIFORNIA  
(Mello-Roos Community Facilities Act of 1982)

The undersigned respectfully submits the enclosed annual report as directed by the City Council.

DATED: \_\_\_\_\_, 2023.

Engineer of Work

By \_\_\_\_\_  
Al Cornwell, City of San Rafael

I HEREBY CERTIFY that the enclosed Engineer's Annual Report, together with Assessment and Assessment Diagram thereto attached, was filed with me on the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

LINDSAY LARA, City Clerk, City of San Rafael, Marin County,  
California

By \_\_\_\_\_

I HEREBY CERTIFY that the enclosed Engineer's Annual Report, together with Assessment and Assessment Diagram thereto attached, was approved on \_\_\_\_\_, 2023 and confirmed by the City Council of the City of San Rafael, Marin County, California, on the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

LINDSAY LARA, City Clerk, City of San Rafael, Marin County,  
California

By \_\_\_\_\_

I HEREBY CERTIFY that the enclosed Engineer's Annual Report, together with Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Marin on the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

LINDSAY LARA, City Clerk, City of San Rafael, Marin County,  
California

By \_\_\_\_\_



**ENGINEER'S ANNUAL REPORT  
2023-2024**

COMMUNITY FACILITIES DISTRICT NO 2 LOCH LOMOND MARINA AND THE  
STRAND  
CITY OF SAN RAFAEL, MARIN COUNTY, CALIFORNIA  
(Mello-Roos Community Facilities Act of 1982)

April Miller, Director of Public Works, Engineer of Work for the Community Facilities District Loch Lomond #2, City of San Rafael, Marin County, California, makes this annual report, as directed by the City Council, by its Resolution No. \_\_\_\_\_, adopted \_\_\_\_\_, 2023.

The improvements which are the subject of this report are briefly described as follows:

Maintenance of Improvements including streets, curbs, gutter, sidewalks, storm drain, storm inlets, street surfaces, Landscaping, street furniture, lighting, pathways, restrooms, park play equipment, picnic tables, fish cleaning stations, signage, and parking. The maintenance includes providing irrigation, paying water and utility bills as well as oversight. The improvements are also anticipated to need major capital funding in future years and a capital improvement allowance is included as part of the Community Finance District.

This report consists of six parts, as follows:

**PART A** – Plans for the improvements are filed with the City Clerk. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.

**PART B** - An Estimated Cost of the Assessment District.

**PART C** - Assessment Roll - An assessment of the estimated cost of the improvement on each benefited parcel of land within the assessment district.

**PART D** – Rate and Method of Apportionment of Special Taxes - A statement of the method by which the undersigned has determined the amount proposed to be assessed against each parcel.

**PART E** - List of Property Owners - A list of the names and addresses of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Clerk. The list is keyed to Part "C" by assessment number.

**PART F** - Assessment Diagram - A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part "C" by assessment number.

Respectfully submitted,

By \_\_\_\_\_  
Al Cornwell, City of San Rafael, Engineer of Work

## PART A

### INTRODUCTION AND BACKGROUND INFORMATION

#### The Loch Lomond Project

The Loch Lomond development project (the “Project”) is a mixed-use development which will include the construction of single-family homes, townhomes and commercial facilities and will include the existing marina, which is located in San Francisco Bay. The Project is located in the City of San Rafael (“City”), off of Point San Pedro Road. It was approved by the San Rafael City Council (“City Council”) of the City in 2007, by means of a series of approvals, including Resolution 12332 (“the Approval Resolution”). As one condition of approving the Project, the City required the developer to provide certain park and recreation improvements and to provide for their maintenance by means of a special tax to be imposed by means of a Mello-Roos Community Facilities District (“CFD”). Since the approval of the Project, the developer has determined that it would be more beneficial to the property owners, and more cost-efficient if the maintenance of certain additional facilities, consisting of landscaping and street and sidewalk improvements, as well as wetland monitoring, could also be financed by means of the CFD. Collectively, the park and recreation improvements, landscaping, streets, and sidewalks and these additional facilities are referred to herein as the “Facilities.”

On June 7, 2010, the City Council adopted a Resolution of Intention to form a CFD (the “Resolution of Intention”) in accordance with the Mello-Roos Community Facilities District Act of 1982 (the “Act”). The Resolution of Intention indicated that the maintenance of the Facilities would be financed by means of a special tax imposed pursuant to the Act. The Resolution of Intention requested the preparation of this Report, directing that the report describe the facilities to be maintained and an estimate of the cost of maintaining those facilities.

For purposes of imposing a special tax to fund the maintenance of the Facilities, the development will be split into four tax categories: Residential; Non-residential; Mixed-use and Marina. As approved, the Project features 81 residential units, of which 76 units will be located in the Residential tax category and 5 units will be in the Mixed-use category, as they will be located above commercial space. Of these residential units, 11 will be below-market units, located in the residential category area. There is expected to be 22,500 square feet in the Non-residential category, which will be devoted to neighborhood commercial/retail businesses and marina-support facilities. The Marina category contains areas serving the existing marina area, including the yacht club.

#### The Mello-Roos Community Facilities Act of 1982

In the Approval Resolution, the City Council determined that the Act would be an effective tool for funding the maintenance of the park and recreation improvements and conservation area. The Act provides substantial flexibility as to the range of facilities and services that can be funded and the method by which their cost can be allocated. As the financing mechanism is a special tax, and not an assessment, the costs can be allocated according to any method that is reasonable, without the need to make a specific finding of benefit to each property. The Act permits the City Council to form the CFD and allows for the owners of the property, if it is uninhabited, to vote to approve the special tax (which requires a two-thirds majority).

#### Purpose of the CFD Report

As directed in the Resolution of Intention, this CFD Report has been prepared and is being

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submitted pursuant to Section 53321.5 of the Act. The Act requires that this report describe the facilities to be maintained (see “Description of Facilities to be Maintained” below)

### Formation of the CFD

On June 7, 2010, the City Council adopted the Resolution of Intention. A map identifying the boundaries is attached as Exhibit A to this work.

On July 19, 2010 the City Council held a public hearing, as required by the Act, to hear any protests to the formation of the CFD and to consider this report. Following the public hearing, the Council adopted a Resolution of Formation and called an election to allow the qualified electors to consider the special tax to fund the services described herein. With at least two-thirds of the votes cast in favor of the special tax, the CFD was formed and the levy of the special tax was authorized.

### Description of Facilities to be Maintained

The facilities to be maintained include those specifically described in Condition 45 of the Approval Resolution:

- The Marina Green and Boardwalk
- Kayak Launch
- Park Play Equipment and Area
- Pedestrian pathways along the west jetty/spit and east jetty/spit
- Viewing areas along the west jetty/spit, east jetty/spit
- Public restrooms (2), one on the east jetty/spit and one at the entrance to the breakwater
- Fishing cleaning station located near the entrance to the breakwater
- Park and informational signs within these areas
- Lawn/turf, shrubs and ground cover, irrigation systems, storm water drainage inlets within the boundaries of the area, lighting pole standards, and fixtures above the foundation, benches, trash receptacles and bicycle racks
- Conservation/seasonal wetland area
- Roads, streets, sidewalks, and stormwater infrastructure

In addition, the CFD will also maintain the common access road shown on the map attached as Exhibit D, its landscaping, lighting and sidewalk areas.

In July 2017, the San Rafael City Council approved levying the first assessment for Community Facilities District No. 2 (“CFD-2”) at the Village at Loch Lomond Marina. The CFD activity during Fiscal Year 2017-2018 was very minimal. After a number of assurances in 2017, the developer, TH Loch Lomond, LLC (“MVA”) did not finish the work to a point where the City could accept a portion of the improvements as anticipated in the beginning of Fiscal Year 2017-2018. On June 1, 2018, the City received a letter from MVA requesting an extension of the Subdivision Improvement Agreements through December 31, 2019 and, by implication, acceptance of a portion of the improvements. The City answered this letter on June 20, 2018, including a final punch list which the letter directed the developer to complete prior to August 1, 2018. The successful completion of the punch list would set the process in motion to accept the improvements, begin the warranty period, and provide a partial reduction in bond amount for the improvements.

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### June 2018 Status and Actions

For Fiscal Year 2017-2018 the District received payments based on the first year assessments anticipating that the District would be taking over maintenance during the year. As noted above, this did not occur. The District had a positive account balance to pay for maintenance, fund capital replacement, and pay for City administration.

Since the District holds unused maintenance funds from the previous year, there was no reason to tax the homeowners for Fiscal Year 2019-2020 for the maintenance, utilities and operational aspect of the District. However, the capital fund and City oversight are continuing expenses and needed to be funded for Fiscal Year 2019-2020. The fiscal year assessment remained the same as 2018-2019 to cover only the capital fund, City oversight, and contingencies totaling \$79,737.22. The breakdown of these costs can be found in Part B below.

### June 2019 Status and Actions

The developer had completed the punch list and had been in the process of finalizing the remaining work, including a map showing the remaining work to be done and the corresponding cost estimates to complete the remaining work. We anticipated that this will be complete within the next 60 to 90 days. The City had requested quotes from landscape maintenance contractors to maintain the public areas, once accepted. For these reasons the City anticipated paying for maintenance during the 2019-2020 year.

As the developer has been finalizing improvements, it has been noted that at high tides and during storms two of the public areas are unusable. The first is the connection between the end of the parking/paved area to the breakwater. The second is the play equipment and park on the central jetty. Both of these areas will be improved by the developer prior to acceptance by the City. The capital cost of these improvements will be paid by the developer. However, once these improvements are accepted by the City, their maintenance and ultimate replacement at the end of their usable life will be the responsibility of the CFD-2. It was anticipated that during fiscal year 2019-2020 the District would ask the assessed properties in the District for an additional assessment to be added to the capital fund to provide monies to pay for this work in the future. This action will require a public hearing and vote of the assessed properties.

### June 2020 Status and Actions

The developer has completed most of the improvements for the Phase 1 "Backbone" infrastructure. On April 20, 2020, the City Council voted to accept the partial completion of the infrastructure, and authorize the City Manager and Mayor to enter into a combined Subdivision Improvement Agreement which covers the remaining work to be completed as well as the flooding repairs, described above, kayak dock and other small improvements that will, when completed become part of the maintenance responsibility of CFD-2. In anticipation of the City accepting the improvements the City will be soliciting proposals from Landscape Maintenance firms to begin maintaining the CFD-2 facilities in fiscal year 2020-2021.

At the writing of this report, the City has prepared and delivered to the developer an combined Subdivision Improvement Agreement (SIA) and is waiting for the developer to execute, provide bonds, and complete the Memorandum of Understanding and BMR buyout agreements which

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parallel the combined SIA.

The current assessments cover three areas: Capital Reserve Fund, Annual Maintenance Fund, and a Contingency.

*Capital Reserve Fund:* As discussed above a contribution to the Capital Reserve Fund will need to be annually in order for the District to have funds available to replace pavements, curb and gutter and other improvements in the future as the useful life expires. The amount of the Capital Reserve currently stands as \$164,124.00 and another \$59,000.00 will be added this year.

*Annual Maintenance:* Since the Maintenance portion has yet to be tapped, if no increase in assessments for 2020-2021 are made, the District would enter the 2021-2022 fiscal year with minimal reserves. In addition, a significant increase in assessment would be required. The Engineer recommends that the District increase the assessment for 2020-2021 as calculated in Part D below and as follows:

Proposed Assessments for the year 2020-2021:

Residential	\$1,596.51	per residential unit
Non-Residential	\$0.75	per square foot of non-residential area
Marina	\$48,575.80	Lump Sum
	\$172,100.92	Total Anticipated Revenue for the year 2020-2021

It should be noted that the District will be again increasing the assessment next year to levels similar to the assessments levied in the first year of the district. This is based on the District now fulfilling its function of maintaining the landscaping and other improvements within the District.

The maintenance can be separated into three components. First, will be weekly or more often (depending on the time of year) landscape maintenance consisting of mowing, trash collection, dog waste control, pruning and other items. Second, will be the monthly, quarterly, or semi-annual inspections of equipment and structural facilities to confirm that they can be safely used. Third, will be the cost of the water to provide irrigation to keep the landscaping grass, plants, shrubs, and trees in a healthy condition.

The District will be assuming these costs from the developer upon final acceptance. The District has reviewed the costs that the developer has incurred in the past 18 months for maintenance. The developer has stated that these costs include areas of maintenance that will not be assumed by the District. A review of those costs and making some reduction for areas the District will not maintain were compared with the original budgets established for the District when formed in 2010 to determine a probable budget for 2020-2021.

*Contingency:* As noted in the financial summary in Part B, the District carries a contingency for unforeseen circumstances. The contingency is large this year in anticipation of the District assuming the maintenance responsibilities.

### June 2021 Status and Actions

The Developer has taken major actions with respect to ownership during FY 20-21. However, while the City Council has voted to accept the partial completion (April 2020), the developer has yet to complete the punch list and continues to maintain the landscaping.

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The major actions included transferring ownership of the Marina Property to Safe Harbor Marinas and transferring the ownership of the second phase of the residential development to Trumark Homes. In addition, Trumark Homes has an option to purchase the Mixed-use building.

The developer also requested to “buy-out” the remaining BMR units and pay an in-lieu fee to do so. This action was also approved by the City Council and has been executed by both the Developer and the City. For the CFD this will provide 6 additional units to assess going forward, since the original District did not include assessments on BMR units. It is the Engineers recommendation that these additional units be assessed at the same rates as the other residential properties, providing a nominal increase in total revenue for the District.

The District collects assessments to cover three areas of funding: Capital Reserve Fund, Annual Maintenance Fund and a Contingency. The 2021 status of these funds are discussed below.

*Capital Reserve Fund:* The Capital Reserve Fund needs to be collected annually in order for the District to have funds available to replace pavements, curb and gutter and other improvements in the future as the infrastructure approaches the end of its useful life. The amount of the Capital Reserve currently stands at \$223,124 and an additional \$115,000 (including the assessments for the former BMR units) will be added this year. As shown below the Capital Reserve Fund, June 30, 2022, is anticipated to be \$338,124 before unforeseen distributions in 2021-2022.

*Annual Maintenance:* Since the Maintenance portion has yet to be tapped, this fund continues to build. Nevertheless, the Engineer recommends the District continue to assess properties in the District on the schedule suggested in the 2020-2021 Report. This will provide a graduated “bump” in assessments to meet the rate needed to cover all the expenses once the City accepts the improvements from the developer. The Engineer recommends that the District increase the assessment for 2021-2022 as calculated in Part D and noted as follows:

Proposed Assessments for the year 2021-2022:

Residential	\$1,915.81	per residential unit
Non-Residential	\$0.90	per square foot of non-residential area
Marina	\$58,290.96	Lump Sum
	\$228,108.03	Total Anticipated Revenue for the year 2021-2022

Currently the District is carrying \$223,670.00 in un-allocated maintenance since the developer has yet to complete the improvements for the City to accept and the CFD to begin maintaining. If this continues for FY 2021-2022, the maintenance fund would add an additional \$160,000 and the District will re-evaluate the assessments. However, this is unlikely. Should this occur, the anticipated funds available for maintenance would be \$383,670.00 without any expenses.

It should be noted that the increase next year may need to be made to bring the assessment funding in line with the max assessments allowed in the District formation documents and further increase would be only based on the index allowed for the District.

The District will be assuming all costs from the developer upon final acceptance. Since the District will be accepting infrastructure that is several years old, the Engineer recommends that any monies not used in District maintenance be allocated to repair infrastructure under the Capital Reserve Fund.

## PART A

*Contingency:* As noted in the financial summary in Part B, the District carries a contingency for unforeseen circumstances. The contingency remains relatively large in anticipation of the District assuming the maintenance responsibilities and completing minor maintenance such as resealing the asphalt pavement.

### June 2022 Status and Actions

In April, 2020, the City agreed to partially accept the improvements constructed by the developer, Marina Village Associates (MVA). The improvements that were to be accepted included the roadway and parking areas, landscape maintenance, marina green, the west jetty and other ancillary facilities. However, MVA did not complete the work and the punch list items until January, 2022. The City did agree to accept those improvements and take on the maintenance of the accepted portion of the District on February 15, 2022. The specific areas that the City is not accepting are the playground and middle jetty as well as the restroom and adjacent parking area and the breakwater and access to the breakwater including the adjacent parking and restroom. These improvements require additional work, which MVA is permitted and scheduled to complete in the summer through spring of 2022-2023.

To affect the maintenance, the City contracted with Forster and Kroger on a month to month basis to cover landscaping maintenance on the accepted portion of the project through the remainder of the fiscal year. The maintenance level originally anticipated in the formation of the District matched that provided by the City in other public parks. Since the areas have been open to the public, MVA and their successor owner of the marina, Safe Harbor Marinas, have maintained the property more aggressively, on an almost daily basis. This is the condition that the residents and the visiting public have come to expect in the area.

While the City supports the concept to continue to maintain the area in the manner to which the residents have become accustomed, it is unclear whether the financing provided by the District will be able to sustain that level of maintenance in the long term. Currently there are some surplus funds resulting from MVA's lack of completing the improvements which can help to fund a more intensive maintenance schedule. Furthermore, as shown in Part D below, the District has the ability to increase the assessments to help fund the level of maintenance that is expected by the residents. The residents have requested that a District oversight committee be established to work with the City in managing the District finances and guide the maintenance in the future. The City and the residents will be exploring this relationship further in the coming fiscal year.

The District collects assessments to cover three areas of funding: Capital Reserve Fund, Annual Maintenance Fund and a Contingency. The 2022 status of these funds are discussed below.

*Capital Reserve Fund:* The Capital Reserve Fund needs to be collected annually in order for the District to have funds available to replace pavements, curb and gutter and other improvements in the future as the infrastructure approaches the end of its useful life. The amount of the Capital Reserve currently stands at \$338,124 and an additional \$121,000 (5.22% increase) will be added this year. As shown below the Capital Reserve Fund, June 30, 2023, is anticipated to be \$459,124 before unforeseen distributions in 2022-2023.

*Annual Maintenance:* Since the Maintenance portion has just begun to be tapped, this fund had continued to build during the current fiscal year. Nevertheless, and based on the level of

## PART A

maintenance expected by the residents, the Engineer recommends the District continue to assess properties in the District. The Engineer suggest increasing the assessments so that the District participants experience a graduated “bump” in assessments to meet the rate needed to cover all the expenses once the City accepts the improvements from the developer and the level of maintenance required become apparent. The Engineer recommends that the District increase the assessment for 2022-2023 as calculated in Part D and noted as follows:

Proposed Assessments for the year 2022-2023:

Residential	\$2,203.18	per residential unit
Non-Residential	\$1.04	per square foot of non-residential area
Marina	\$67,034.60	Lump Sum
	\$244,286.04	Total Anticipated Revenue for the year 2021-2022

Currently the District is carrying \$223,670.00 in un-allocated maintenance since the City has only recently accepted the improvements. As noted above this will be evaluated during FY 2022-2023 to determine what the maintenance fund should be going forward.

It should be noted that future increases may need to be made to bring the assessment funding in line with the max assessments allowed in the District formation documents and further increase would be only based on the index allowed for the District.

The District will be assuming all costs from the developer upon final acceptance. Since the District will be accepting infrastructure that is several years old, the Engineer recommends that any monies not used in District maintenance be allocated to repair infrastructure under the Capital Reserve Fund.

*Contingency:* As noted in the financial summary in Part B, the District carries a contingency for unforeseen circumstances. The contingency remains relatively large in anticipation of the District assuming the maintenance responsibilities and determining the acceptable level of maintenance to meet the residents expectations as well as covering deferred maintenance of completed improvements such as resealing the asphalt pavement and repairing damaged fixtures and furniture.

### June 2023 Status and Actions

The Village Master Association and Strand Homeowners Association continues to have concerns with the maintenance of the current maintenance contractor. This has been exacerbated since the District’s formation by the slow progress that the developer has made in completing the project. The residents and business owners face a particular challenge in that the District was formed to maintain property owned by the Village Association with public easements allowing all San Rafael residents and others to use the property. The City and the representatives are currently working on the level of maintenance that can be sustained by the District after the developer(s) complete their work on the public property and the remaining housing. The 2023-2024 budget includes monies that have been allocated to maintain the district facilities at a high level. Since the District has not had to maintain the full facilities (due to the incomplete work by the developer), there is not past actual costs to guide the budget. It appears that the level of maintenance desired by the community is not sustainable at the current funding levels. Nonetheless, the 2023-2024 budget will carry these numbers and be re-evaluated in the 2024-2025 report.



## PART A

The repairs to the Breakwater Access Trail and East Jetty Park are almost complete. It is the hope that these repairs will be finished early in the 2023-2024 Fiscal Year.

The activities of the past year include the continued landscape maintenance by Forester and Kroger. The City also hired Forester and Kroger to replant the entryway area of the project on the east side of Loch Lomond Drive as many of those plants had died or were not thriving. The City anticipates soliciting bids for future maintenance of the landscaping in FY 2023-2024.

Since the restroom near the Breakwater Access Train is now open, the City Crews have been maintaining that facility twice weekly as the City does other parks within its jurisdiction. Trash continues to be handled by the Marina operator. However, a contract for both the restrooms and trash pick is expected to be solicited from interested operators in FY 2023-2024. The cost for maintaining restrooms daily and trash pick daily is included in the budget for FY 2023-2024. The City also painted the curbs red along Loch Lomond Drive and is working with the residents to replace some of the signs.

As provided in the District formation documents, the Engineer recommends that the annual assessment be increased to cover continued cost escalation for maintenance and utilities as well as the additional costs to provide an improved level of landscape, restroom, and restroom maintenance than is currently performed. The District formation documents allow an annual increase of up to 3% or the Consumer Price Index for the San Francisco/Oakland/Hayward region, whichever is greater. The CPI as of March, 2023 is 337.17. The base year index (2010) is 227.27. This allows a 48% increase since the District's formation. The maximum assessments would be as follows:

Residential	\$3,611.99	per residential unit
Non-Residential	\$1.70	per square foot of non-residential floor area
Marina	\$109,899.14	Lump Sum

The Engineer suggests increasing the assessments so that the District participants experience a graduated "bump" in assessments to attain a rate that will better cover the expenses needed to maintain the district once the City accepts the improvements from the developer. The Engineer recommends that the District increase the assessment for 2023-2024 by 15% over the 2022-2023 FY as calculated in Part D and noted as follows:

### Proposed Assessments for the year 2023-2024:

Residential	\$2,533.66	per residential unit
Non-Residential	\$1.19	per square foot of non-residential floor area
Marina	\$77,089.80	Lump Sum
	\$280,923.50	Total Anticipated Revenue for the year 2023-2024

The District collects assessments to cover three areas of funding: Capital Reserve Fund, Annual Maintenance Fund and a Contingency. The 2023 status of these funds are discussed below.

*Capital Reserve Fund:* The Capital Reserve Fund needs to be collected annually in order for the District to have funds available to replace pavements, curb and gutter and other improvements in the future as the infrastructure approaches the end of its useful life. The amount of the Capital Reserve currently stands at \$459,124 and an additional \$128,000 (5.72% increase) will be added this year. As shown below the Capital Reserve Fund, June 30, 2024, is anticipated to be \$587,124 before unforeseen distributions in 2023-2024.

## PART A

*Annual Maintenance:* Since the Maintenance portion has only been partially tapped, this fund had continued to build during the current fiscal year. Nevertheless, and based on the level of maintenance expected by the residents, the Engineer recommends the District continue to assess properties in the District.

Currently the District is carrying \$260,702.23 in un-allocated maintenance since the City has only recently accepted the improvements. As noted above this will be evaluated during FY 2023-2024 to determine what portion of Contingency might be allocated to the maintenance or Capital Reserve funds.

It should be noted that future increases may need to be made to bring the assessment funding in line with the max assessments allowed in the District formation documents and further increase would be only based on the index allowed for the District.

The District will be assuming all costs from the developer upon final acceptance. Since the District will be accepting infrastructure that is several years old, the Engineer recommends that any monies not used in District maintenance be allocated to repair infrastructure under the Capital Reserve Fund.

*Contingency:* As noted in the financial summary in Part B, the District carries a contingency for unforeseen circumstances. The contingency remains relatively large in anticipation of the District assuming the maintenance responsibilities and determining the acceptable level of maintenance to meet the residents expectations as well as covering deferred maintenance of completed improvements such as resealing the asphalt pavement and repairing damaged fixtures and furniture.

**PART B  
ESTIMATE OF COSTS**

Total estimated Available Funds June 30, 2022: \$ 731,797.64

Adjustment to match City Funds to Actual City Records \$ 5,111.02  
 Actual Available Funds on July 1, 2022 \$ 736,908.66

2022-2023 EXPENSES

County of Marin Fee	\$ 138.00
Landscape Maintenance (July, 2022 to March, 2023)	\$ 38,503.36
Water Expense through February, 2023	\$ 43,535.12
Landscaping monthly fee April- June, 2023	\$ 12,000.00
Water estimate April to June, 2023	\$ 18,000.00
Engineer's Report	\$ 0.00

FY 2022-2023 estimated expense total \$ 112,176.48

Assessment Proceeds 2022-2023 estimated \$ 232,071.75  
 Interest \$ 4,487.97

Total Anticipated Funds, June 30, 2023 \$ 861,291.90

FY 2023-2024 Estimated Expenses

Uncollected Assessments (2023-2024) at 5%	\$ 14,046.18
Restroom Cleaning and Maintenance	\$ 29,000.00
Restroom Supplies	\$ 2,400.00
Litter/Garbage Removal	\$ 35,000.00
Landscape Maintenance	\$ 54,000.00
Tree Care	\$ 12,000.00
Playground Equipment Inspection	\$ 1,600.00
Irrigation Repairs and Maintenance	\$ 18,000.00
Street Sweeping	\$ 800.00
Storm Drain Maintenance	\$ 10,300.00
Storm Response	\$ 1,500.00
Wetlands Maintenance	\$ 13,000.00
Utility Costs (Water, Sewer and Electrical)	\$ 77,200.00
Annual Engineer's Report	\$ 7,000.00
County/City Administrative Fee	\$ 1,000.00
Management Fee	\$ 18,000.00
Total Estimated Fiscal Year 2023-2024 Expenses	\$ 294,846.18

Special Charges

Signs	\$ 4,926.00
Bench Painting	\$ 2,000.00
Misc. Paver Repairs	\$ 1,500.00
Light Fixture Repairs	\$ 1,000.00
Slurry Seal	\$ 15,000.00

Total estimated 2023-2024 Expenses \$ 319,272.18

**PART B**  
**ESTIMATE OF COSTS**

Capital Reserve Fund (Held 2022-2023)	\$ 459,124.00	
Capital Reserve Contribution Fiscal Year 2023-2024	<u>\$ 128,000.00</u>	
Anticipated Capital Reserve Fund June 30, 2024	\$ 587,124.00	
 Total Allocated Funds 2023-2024	 \$ 906,396.18	
 Contingencies (Future Additional Capital Reserve and Maintenance Takeover Costs)	 <u>\$ 235,819.22</u>	
  TOTAL ANTICIPATED FY 2023-2024 YEAR EXPENSES AND ALLOCATIONS:	  <u>\$ 1,142,215.40</u>	
 FY 2023-2024 ASSESSMENT FUNDING		<u>\$ 280,923.50</u>
Total available funds FY 2023-2024:		<u>\$ 1,142,215.40</u>

**PART C  
ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part C – Assessment Roll

<b>SPECIAL ASSESSMENT NUMBER</b>	<b>AMOUNT OF ASSESSMENT Fiscal Year 2023-2024</b>	<b>PROPERTY DESCRIPTION Loch Lomond</b>	<b>ASSESSOR'S PARCEL NUMBER</b>
2	\$26,327.68	Lot 2	016-070-14
3	\$10,780.64	Lot 3	016-070-16
4	\$2,037.50	Lot 4	016-070-17
5	\$77,089.78	Lot 5	016-070-09
A	\$0.00	Lot A	016-070-12
B	\$0.00	Lot B	016-070-10
C	\$0.00	Lot C	016-070-13
D	\$0.00	Lot D	016-070-19
E	\$0.00	Lot E	016-070-15
F	\$0.00	Lot F	016-070-18
G	\$0.00	Lot G	016-070-21
H	\$0.00	Lot H	016-070-22
I	\$0.00	Lot I	016-070-20
1-1	\$0.00	1	016-341-01
1-2	\$2,533.66	2	016-341-02
1-3	\$0.00	3	016-341-03
1-4	\$2,533.66	4	016-341-04
1-5	\$2,533.66	5	016-341-05
1-6	\$2,533.66	6	016-341-06
1-7	\$2,533.66	7	016-341-07
1-8	\$2,533.66	8	016-341-08
1-9	\$2,533.66	9	016-341-09
1-10	\$2,533.66	10	016-341-10
1-11	\$2,533.66	11	016-341-11
1-12	\$2,533.66	12	016-341-12
1-13	\$2,533.66	13	016-341-13

**PART C  
ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part C – Assessment Roll)

<b>SPECIAL ASSESSMENT NUMBER</b>	<b>AMOUNT OF ASSESSMENT Fiscal Year 2023-2024</b>	<b>PROPERTY DESCRIPTION Loch Lomond</b>	<b>ASSESSOR'S PARCEL NUMBER</b>
1-14	\$2,533.66	14	016-341-14
1-15	\$2,533.66	15	016-341-15
1-16	\$2,533.66	16	016-341-16
1-17	\$2,533.66	17	016-341-17
1-18	\$2,533.66	18	016-341-18
1-19	\$2,533.66	19	016-341-19
1-20	\$2,533.66	20	016-341-20
1-21	\$2,533.66	21	016-341-21
1-22	\$2,533.66	22	016-341-22
1-23	\$2,533.66	23	016-341-23
1-24	\$2,533.66	24	016-341-24
1-25	\$2,533.66	25	016-341-25
1-26	\$2,533.66	26	016-341-26
1-27	\$2,533.66	27	016-341-27
1-28	\$2,533.66	28	016-341-28
1-29	\$2,533.66	29	016-341-29
1-30	\$2,533.66	30	016-341-30
1-31	\$2,533.66	31	016-341-31
1-32	\$2,533.66	32	016-341-32
1-33	\$2,533.66	33	016-341-33
1-34	\$2,533.66	34	016-341-34
1-35	\$2,533.66	35	016-341-35
1-36	\$0.00	36	016-341-36
1-37	\$2,533.66	37	016-341-37
1-38	\$0.00	38	016-341-38
1-39	\$2,533.66	39	016-341-39

**PART C  
ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part C – Assessment Roll)

<b>SPECIAL ASSESSMENT NUMBER</b>	<b>AMOUNT OF ASSESSMENT Fiscal Year 2023-2024</b>	<b>PROPERTY DESCRIPTION Loch Lomond</b>	<b>ASSESSOR'S PARCEL NUMBER</b>
1-40	\$2,533.66	40	016-341-40
1-41	\$0.00	41	016-341-41
1-42	\$2,533.66	42	016-341-42
1-43	\$0.00	43	016-341-43
1-44	\$2,533.66	44	016-341-44
1-45	\$2,533.66	45	016-341-45
1-46	\$0.00	46	016-341-46
1-47	\$2,533.66	47	016-341-47
1-48	\$0.00	48	016-341-48
1-49	\$2,533.66	49	016-341-49
1-50	\$2,533.66	50	016-341-50
1-51	\$0.00	51	016-341-51
1-52	\$2,533.66	52	016-341-52
1-53	\$2,533.66	53	016-341-53
1-54	\$2,533.66	54	016-341-54
1-55	\$2,533.66	55	016-341-55
1-56	\$2,533.66	56	016-341-56
1-57	\$0.00	57	016-341-57
1-58	\$2,533.66	58	016-341-58
1-59	\$2,533.66	59	016-341-59
1-60	\$0.00	60	016-341-60
1-61	\$2,533.66	61	016-341-61
1-62	\$2,533.66	62	016-341-62
1-63	\$2,533.66	63	016-341-63
1-64	\$2,533.66	64	016-341-64
1-65	\$2,533.66	65	016-341-65

**PART C  
ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part C – Assessment Roll)

<b>SPECIAL ASSESSMENT NUMBER</b>	<b>AMOUNT OF ASSESSMENT Fiscal Year 2023-2024</b>	<b>PROPERTY DESCRIPTION Loch Lomond</b>	<b>ASSESSOR'S PARCEL NUMBER</b>
1-66	\$2,533.66	66	016-341-66
1-67	\$2,533.66	67	016-341-67
1-68	\$2,533.66	68	016-341-68
1-69	\$2,533.66	69	016-341-69
1-70	\$2,533.66	70	016-341-70
1-71	\$2,533.66	71	016-341-71
1-72	\$2,533.66	72	016-341-72
1-73	\$2,533.66	73	016-341-73
1-74	\$2,533.66	74	016-341-74
1-75	\$2,533.66	75	016-341-75
1-76	\$2,533.66	76	016-341-76
K	\$0.00	K	016-341-77
L	\$0.00	L	016-341-78
M	\$0.00	M	016-341-79
D	\$0.00	D	016-341-80
N	\$0.00	N	016-341-81
E	\$0.00	E	016-341-82
O	\$0.00	O	016-341-83
F	\$0.00	F	016-341-84
P	\$0.00	P	016-341-85
H	\$0.00	H	016-341-86
A	\$0.00	A	016-341-87
I	\$0.00	I	016-341-88
B	\$0.00	B	016-341-89
J	\$0.00	J	016-341-90
C	\$0.00	C	016-341-91



**PART C  
ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part C – Assessment Roll)

<b>SPECIAL ASSESSMENT NUMBER</b>	<b>AMOUNT OF ASSESSMENT Fiscal Year 2023-2024</b>	<b>PROPERTY DESCRIPTION Loch Lomond</b>	<b>ASSESSOR'S PARCEL NUMBER</b>
G	\$0.00	G	016-341-92
<b>TOTAL ASSESSMENT</b>	\$280,923.50	(For 2023-2024 Fiscal Year)	

The lines and dimensions of each parcel are as shown on the maps of the County Assessor of the County of Marin.

Property descriptions are lot or parcel numbers as shown on the recorded final maps of Loch Lomond, recorded:

**PART D**  
**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES**

I. INTRODUCTION

A special tax authorized under the Mello-Roos Community Facilities Act of 1982, as amended (“Act”) shall be levied on each Parcel of land within Community Facilities District No. 2 of the City of San Rafael (“CFD No. 2”), and collected according to the Special Tax Liability determined by the City, the City of San Rafael)”City”), through the application of the following procedures. The Special Tax is being levied for the purpose of providing and guaranteeing long-term funding and maintenance of park and recreation improvements that are approved for public use, and an adjacent conservation area (seasonal wetland) as more particularly described in the Approval Resolution, as well as appurtenant roadways, sidewalk and landscaping areas.

All of the property within CFD No. 2, unless otherwise exempted by law or the express provisions of the rate and method of apportionment expressed below, shall be taxed to the extent and in the manner provided below.

It is intended that all special taxes applicable to Parcels be collected in the same manner and at the same time as ordinary ad valorem property taxes, and that special taxes so levied will be subject to the same penalties and procedures, sale and lien priority in case of delinquency as is provided for ad valorem taxes.

II. DEFINITIONS

**Act** means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 *et seq.* of the California Government Code.

**Approval Resolution** means Resolution No. 12332, adopted on August 6, 2007 by the City Council of the City of San Rafael.

**Area of Use** means the area falling within a single tax category of a Parcel devoted to multiple uses.

**Base Year** means the Fiscal Year commencing July 1, 2011.

**BMR Unit** means a Dwelling Unit that is classified as “low or moderate income housing” pursuant to that certain agreement among San Rafael Marina, LLC, the City of San Rafael, and the Housing Authority of the County of Marin, dated July 1, 2008 and recorded as document 2008-0038363 in the Official Records of the County of Marin on August 14, 2008.

**Building Floor Area** means a measurement of the area contained within the perimeter of each non-residential structure on a given Parcel, which can be or has been developed on that Parcel based on a building permit. If a building permit is not available, the amount shall be based on the Master Use Permit, or other planning approval. This figure shall be determined in accordance with the standard practice of the City in calculating structural parameters. The figure includes the square footage of each floor of any multi-floor building.

**CFD No. 2** means the Community Facilities District No. 2 of the City of San Rafael.

**PART D**  
**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES**

**City** means the City of San Rafael.

**Dwelling Unit** means each separate building, or housing unit within a common building, used to provide living accommodations which are intended, design, or legally required to be occupied by a single family unit. For Parcels which have not yet been subdivided into the number of lots shown on the Tentative Map, the number of Dwelling Units shall be the number of lots shown on the Tentative Map within the limits of that Parcel. BMR Units do not count as Dwelling Units. For Parcels with mixed uses, the number of Dwelling Units shall be the number of residential units allowed under the Master Use Permit, not counting any BMR Units.

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

**Master Use Permit** means that certain Master Use Permit as approved by the City Council of the City of San Rafael by means of Resolution No. 12332, adopted on August 6, 2007.

**Maximum Special Tax** means the greatest amount of Special Tax that can be levied against a Parcel in any Fiscal Year. The Maximum Special Tax for each Category of Taxable Property is established in Section III.

**Parcel** means any County Assessor's Parcel or that portion thereof that is within the boundaries of CFD No. 2 based on the equalized tax rolls of the County as of March 1 of each Fiscal Year. Parcels referred to by a specific number indicate the parcels shown on the Tentative Map.

**Service Annual Cost(s)** means for each Fiscal Year, the total of 1) the estimated cost of providing and guaranteeing long-term funding and maintenance of park and recreation improvements that are approved for public use and an adjacent conservation area (seasonal wetland) as more particularly described in Vesting Tentative Map Condition No. 45 in the Approval Resolution (the "Improvements"); 2) the estimate costs of providing additional landscaping and maintenance costs; and 3) any amounts needed to cure actual or estimated delinquencies in Special Taxes for the current or previous Fiscal Year.

**Special Tax Escalation Factor** means the annual percentage increase in the Consumer Price Index for the San Francisco-Oakland-San Jose area as published in "Consumer Price Indexes – Pacific Cities and U.S. City Average" from the U.S. Department of Labor, Bureau of Labor Statistics or, in the event such index ceases to be published, by a comparable index designated by the City Council.

**Tax Categories** are those categories set forth in the body hereof.

**Taxable Property** means Parcels that are not in public ownership, but excludes privately-held Parcels used solely for vehicular and pedestrian access, utilities, or as common areas. Such areas include Parcels A through W, inclusive, as shown on the Tentative Map. However, Taxable Properties that are acquired by a public agency after the CFD is formed or subsequent Final Subdivision Maps are recorded will remain subject to the applicable Special Tax.

**Tentative Map** means that certain tentative map as approved by the City Council of the City of San Rafael by means of Resolution 12332, adopted on August 6, 2007.

**PART D**  
**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES**

III. CATEGORIES OF SPECIAL TAX AND DESIGNATION OF MAXIMUM SPECIAL TAX

A. **RESIDENTIAL CATEGORY:** The Residential Category includes each Parcel of developed Taxable Property within CFD No. 2 that is zoned or permitted to be used for residential purposes. This consists of Parcels 2 through 76, inclusive, as well as the second floor residential use permitted on Parcel 78, all as shown on the Tentative Map. The Maximum Special Tax that may be levied annually on Taxable Property within the Residential Category during the Base Year is \$2,439.22 per Dwelling Unit.

B. **MARINA CATEGORY:** The Marina includes that Parcel of Taxable Property within CFD No. 2 that is designated as Parcels 80 and 82 on the Tentative Map. The Maximum Special Tax that may be levied annually on Taxable Property within the Marina Category during the Base Year is \$74,216.22. In the event that Parcel 80 is subdivided, the Maximum Special Tax shall be allocated to the subdivided Parcels in proportion to the number of marina slips contained in each subdivided Parcel within the Marina Category. In the event that Parcel 82 is subdivided from the other property within the Marina Category, it shall be taxed on the same rate and basis (per square foot) as property within the Non-Residential Category and the Maximum Special Tax for the remainder of the Marina Category shall be the amount calculated above, less the tax for Parcel 82.

C. **NON-RESIDENTIAL CATEGORY:** The Non-Residential Category includes each Parcel of developed Taxable Property within CFD No. 2 which has been zoned or is permitted to be used for non-residential uses (including office, retail, industrial, and other commercial uses) but not property within the Marina Category. These Parcels consist of Parcels 79, and 81 shown on the Tentative Map, as well as portions of Lot 78 devoted to Non-Residential Uses. The Maximum Special Tax that may be levied annually on Taxable Property in the Non-Residential Category during the Base Year is \$1.15 per square foot of Building Floor Area.

D. **MIXED USE CATEGORY:** Parcels within CFD No. 2 which are zoned or permitted to be used for uses which fall in more than one of the above Categories shall be taxed for each category of use. The calculation of the Maximum Special Tax shall be performed separately for each Area of Use. For example, the Special Tax Liability for a Parcel featuring two Dwelling Units and 10,000 square feet of Non-Residential Use shall be the sum of the Special Tax for the two Dwelling Units at the rate applied to all Dwelling Units in the CFD and for the Non-Residential tax rate per square foot times 10,000. The Maximum Special Tax for Parcels in the Mixed Use Category shall be calculated accordingly.

E. **ADJUSTMENTS TO MAXIMUM SPECIAL TAX:** The Maximum Special Tax for all Categories shall increase each Fiscal Year as determined annually by the City Council by the Consumer Price Index for the San Francisco-Oakland-San Jose area, All Urban Consumers/All Items, as published by the U.S. Department of Labor, Bureau of Labor Statistics, or, in the event such index ceases to be published, by a comparable index designated by the City Council.

**PART D**  
**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES**

IV. SETTING THE ANNUAL SPECIAL TAX LIABILITY FOR TAXABLE PROPERTIES

On or about July 1 of each year, but in an event in sufficient time to include the levy of the special taxes on the County's secured tax roll, the City shall determine the Category or Categories representing each Parcel of land within CFD No. 2. Parcels subject to levy and their respective Tax Category shall be determined based upon the records of the County Assessor as of the March 1 preceding such July.

For each Fiscal Year, the City shall determine the Special Tax Liability for each Parcel for the Fiscal Year. The City shall make available for review by the general public information regarding the Category to which each Parcel is assigned and the information used to calculate the Special Tax Liability for each Parcel.

Attachment 1 shows the Base Year Maximum Special Tax rates. Each Fiscal Year following the Base Year, the Maximum Special Tax rate shall be increased in accordance with the Special Tax Escalation Factor.

To determine the Maximum Special Tax in each Fiscal Year, multiply the number of Dwelling Units for each residential Parcel times the applicable Maximum Special Tax rates shown in Attachment 1 as adjusted by the Special Tax Escalation Factor. For the Mixed Use Category, take the sum of those two products.

The City shall calculate the Special Tax Liability for each Taxable Property for each fiscal year as follows:

- A. **STEP ONE:** Determine if the Improvements have been inspect and accepted by the City. If not, the Special Tax Liability shall be zero for that fiscal year.
- B. **STEP TWO:** As noted above the District is allowed to increase assessments based on the CPI for the San Francisco-Oakland Hayward region. The CPI index for March 2023 (latest available) is 337.17. This is an increase of 3.78% from April, 2022 ((337.17-324.878)/324.878).

Based on this information, the Maximum Allowable Assessment for the 2023-2024 year would be:

Residential	\$3,611.99 per residential unit
Non-Residential	\$1.70 per Sq Ft of non-residential area
Marina	\$109,899.14 Lump Sum

Since the District (and the City) have not accepted all the improvements for the CFD to maintain, not all of this funding is required at this time. Nevertheless, the Engineer recommends an increase in funding in anticipation of accepting the improvements and recognizing that due to the age of the improvements and the use to which they have been subject since opening to the public. A 15% increase is recommended, yielding the following assessments for 2023-2024:

Residential	\$2,533.66	per residential unit
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**PART D**  
**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES**

Non-Residential	\$1.19	per square foot of non-residential area
Marina	\$77,089.80	Lump Sum

Setting the amount in 2023-2024 does not preclude future increases in future years to the maximum allowable assessment based on the CPI.

C. **STEP THREE:** Calculate the Special Tax Liability for each Parcel of Taxable Property by the following steps:

Step 1: Compute the potential Maximum Special Tax revenue for all Parcels in the CFD by summing the Maximum Special Tax assigned to each Parcel for that Fiscal Year.

Step 2: Compare the Service Annual Costs with the potential maximum Special Tax revenue calculated in the previous step.

Step 3: If the Service Annual Costs are less than the Maximum Special Tax revenue from Step 1, decrease proportionately the Maximum Special Tax amount for each Parcel until the total Special Tax revenue equals the Service Annual Cost. These amounts will be that year's Special Tax Liability for each Parcel.

Step 4: If the Service Annual Costs are great than or equal to the potential Maximum, Special Tax revenue calculated in Step 1, the amount of the Special Tax Liability for each Taxable Property shall be the Maximum Special Tax assigned to each Parcel in II above.

D. **STEP FOUR:** After the Special Tax Liability for each Parcel has been calculated, consult Section V of this Rate and Method in order to prepare the Tax Collection Schedule.

V. PREPARATION OF TAX COLLECTION SCHEDULE

Prepare the Tax Collection Schedule listing the Special Tax Liability for each Parcel of Taxable Property and send it to the County Auditor, requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor for such inclusion.

The City shall make every effort to correctly calculate the Special Tax Liability for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and the Special Tax Liability assigned to them. The City will maintain a file available for public inspection of each current County Assessor's Parcel Number within the CFD, its Maximum Special Tax, and the Maximum Special Tax for all Parcels within the CFD.

VI. 2023-2024 ALLOWABLE AND ACTUAL ASSESSMENTS

As noted in part III E. above, Adjustments to Maximum Special Tax, the City anticipated increases in the special tax up to a maximum amount to allow for normal inflation based increases in the costs to make capital improvements and continue maintenance. The increases were to be based

**PART D**  
**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES**

on the Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward region. The Maximum Allowable assessment for the 2023-2024 year for each category is calculated as follows:

Base Year 2011:

Residential	\$ 2,439.22	per residential unit
Non-Residential	\$ 1.15	per square foot of non-residential area
Marina	\$ 74,216.22	lump sum

Base Year June, 2010, CPI = 227.697

CPI, March, 2023 (Latest available data) = 337.17

Allowable increase  $337.17 / 227.697 = 1.481$

Maximum Allowable Assessment 2023-2024 year:

Residential	$\$2,439.22 \times 1.481$	=	\$3,611.99	per residential unit
Non-Residential	$\$1.15 \times 1.481$	=	\$1.70	per square foot of non-residential area
Marina	$\$74,216.22 \times 1.481$	=	\$109,899.14	Lump Sum

The Actual assessments for 2023-2024 will be based on the partial needs of the District as outlined elsewhere in this report and be increased for the year 2023-2024 as shown below.

Assessments for the year 2023-2024:

Residential	\$2,533.66	per residential unit
Non-Residential	\$1.19	per square foot of non-residential area
Marina	\$77,089.79	Lump Sum

Setting the amount in 2023-2024 does not preclude future increases to the maximum allowable based on the CPI in future years.

**PART E  
ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part E – Assessment Roll)

<b>ASSESSMENT NUMBER</b>	<b>ASSESSOR'S PARCEL NUMBER</b>	<b>NAME AND ADDRESS (Redacted)</b>
2	016-070-14	
3	016-070-16	
4	016-070-17	
5	016-070-09	
A	016-070-12	
B	016-070-10	
C	016-070-13	
D	016-070-19	
E	016-070-15	
F	016-070-18	
G	016-070-21	
H	016-070-22	
I	016-070-20	
1-1	016-341-01	
1-2	016-341-02	
1-3	016-341-03	
1-4	016-341-04	
1-5	016-341-05	
1-6	016-341-06	
1-7	016-341-07	
1-8	016-341-08	
1-9	016-341-09	
1-10	016-341-10	
1-11	016-341-11	
1-12	016-341-12	
1-13	016-341-13	
1-14	016-341-14	
1-15	016-341-15	



**PART E**  
**ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part E – Assessment Roll)

ASSESSMENT NUMBER	ASSESSOR'S PARCEL NUMBER	NAME AND ADDRESS (Redacted)
1-16	016-341-16	
1-17	016-341-17	
1-18	016-341-18	
1-19	016-341-19	
1-20	016-341-20	
1-21	016-341-21	
1-22	016-341-22	
1-23	016-341-23	
1-24	016-341-24	
1-25	016-341-25	
1-26	016-341-26	
1-27	016-341-27	
1-28	016-341-28	
1-29	016-341-29	
1-30	016-341-30	
1-31	016-341-31	
1-32	016-341-32	
1-33	016-341-33	
1-34	016-341-34	
1-35	016-341-35	
1-36	016-341-36	
1-37	016-341-37	
1-38	016-341-38	
1-39	016-341-39	
1-40	016-341-40	
1-41	016-341-41	
1-42	016-341-42	
1-43	016-341-43	

**PART E  
ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part E – Assessment Roll)

<b>ASSESSMENT NUMBER</b>	<b>ASSESSOR'S PARCEL NUMBER</b>	<b>NAME AND ADDRESS (Redacted)</b>
1-44	016-341-44	
1-45	016-341-45	
1-46	016-341-46	
1-47	016-341-47	
1-48	016-341-48	
1-49	016-341-49	
1-50	016-341-50	
1-51	016-341-51	
1-52	016-341-52	
1-53	016-341-53	
1-54	016-341-54	
1-55	016-341-55	
1-56	016-341-56	
1-57	016-341-57	
1-58	016-341-58	
1-59	016-341-59	
1-60	016-341-60	
1-61	016-341-61	
1-62	016-341-62	
1-63	016-341-63	
1-64	016-341-64	
1-65	016-341-65	
1-66	016-341-66	
1-67	016-341-67	
1-68	016-341-68	
1-69	016-341-69	
1-70	016-341-70	
1-71	016-341-71	

**PART E**  
**ASSESSMENT ROLL**

(Please Refer to Part D – Method of Apportionment of Assessment  
for a Summary of Changes to Part E – Assessment Roll)

ASSESSMENT NUMBER	ASSESSOR'S PARCEL NUMBER	NAME AND ADDRESS (Redacted)
1-72	016-341-72	
1-73	016-341-73	
1-74	016-341-74	
1-75	016-341-75	
1-76	016-341-76	
1-77	016-341-77	
1-78	016-341-78	
1-79	016-341-79	
1-80	016-341-80	
1-81	016-341-81	
1-82	016-341-82	
1-83	016-341-83	
1-84	016-341-84	
1-85	016-341-85	
1-86	016-341-86	
1-87	016-341-87	
1-88	016-341-88	
1-89	016-341-89	
1-90	016-341-90	
1-91	016-341-91	
1-92	016-341-92	

**PART F**  
**ASSESSMENT DIAGRAM**

See sheets 1 through 2 in attached packet.