

CITY OF SAN MATEO
RESOLUTION NO. ____ (2024)

APPROVING THE FISCAL YEAR 2024-25 LEVY OF SPECIAL TAXES AND APPROVING AND AUTHORIZING RELATED ACTIONS AND DOCUMENTS

WHEREAS, the Council (the "City Council") of the City of San Mateo (the "City") conducted proceedings under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), to form its Community Facilities District No. 2008-1 (Bay Meadows), City of San Mateo, County of San Mateo, State of California (the "CFD"), to authorize the levy of special taxes (the "CFD Special Taxes") to finance the acquisition and construction of certain public facilities, the payment of certain governmental development impact fees and the provision of certain services, and to authorize the issuance of debt to finance the facilities and fees, and to establish the appropriations limit for the CFD, all as set forth in the City Council's Resolution No. 85 (2008) (the "Resolution of Formation") and Resolution No. 86 (2008) (the "Resolution Deeming it Necessary to Incur Bonded Indebtedness," and together with the Resolution of Formation, the "Formation Resolutions"), both adopted on August 11, 2008; and

WHEREAS, the authorizations contained in the Formation Resolutions were submitted to the landowner qualified elector of the CFD at a special mailed-ballot election on August 11, 2008; and

WHEREAS, the landowner qualified elector within the CFD approved the authorizations contained in the Formation Resolutions by a unanimous vote; and

WHEREAS, the City Council commenced proceedings to change the authorizations contained in the Formation Resolutions (the "2011 Change Proceedings") by adopting its Resolution No. 113 (2011) ("Resolution of Consideration") on October 3, 2011; and

WHEREAS, the Proposed Amendments contained and defined in the Resolution of Consideration were submitted to the landowner qualified elector of the CFD at a special mailed-ballot election on November 21, 2011; and

WHEREAS, the landowner qualified elector within the CFD approved the Proposed Amendments contained in the Resolution of Consideration by a unanimous vote; and

WHEREAS, the City Council levies special taxes in the CFD pursuant to Ordinance No. 2012-1, which was adopted by the City Council on January 3, 2012, which requires City Council approval of each fiscal year's levy of CFD Special Taxes; and

WHEREAS, the Formation Resolutions authorized the issuance of up to \$120,000,000 in special tax bonds; and

WHEREAS, the 2011 Change Proceedings reduced this authorization to \$92,000,000; and

WHEREAS, pursuant to the Act the City issued three series of bonds for the CFD (the "Prior Bonds");

- (i) \$31,800,000 aggregate principal amount of City of San Mateo Community Facilities District No. 2008-1 (Bay Meadows) Special Tax Bonds, Series 2012 (the “2012 Bonds”); and
- (ii) \$26,000,000 aggregate principal amount of City of San Mateo Community Facilities District No. 2008-1 (Bay Meadows) Special Tax Bonds, Series 2013 (the “2013 Bonds”); and
- (iii) \$28,475,000 aggregate principal amount of City of San Mateo Community Facilities District No. 2008-1 (Bay Meadows) Special Tax Bonds, Series 2014 (the “2014 Bonds”); and

WHEREAS, as a result of the issuance of the Prior Bonds in the aggregate principal amount of \$86,275,000, the remaining authorization for the issuance of special tax bonds for the CFD (not including refunding bonds as defined in the Act) is \$5,725,000; and

WHEREAS, for the purpose of refunding the Prior Bonds and achieving debt service savings, the City issued on June 30, 2022 its \$72,345,000 City of San Mateo Community Facilities District No. 2008-1 (Bay Meadows) Special Tax Refunding Bonds, Series 2022 (the “2022 Refunding Bonds”); and

WHEREAS, the Amended and Restated Rate and Method of Apportionment for the CFD (the “RMA”) provides that the City may not levy less than 100% of the Assigned Special Tax on Developed Property (as those terms are defined in the RMA) unless the City Council has covenanted that it will not issue any additional bonds for the CFD except refunding bonds; and

WHEREAS, in connection with the issuance of the 2022 Refunding Bonds, City staff worked with the Bay Meadows master developer, Wilson Meany, to confirm that all infrastructure improvements to be financed by the CFD have been made and that no additional CFD bonds will need to be issued in the future, except to refinance the outstanding bonds for savings; and

WHEREAS, the Council adopted City Council's Resolution No. 83 (2022) covenanting not to issue additional bonds for the CFD except refunding bonds, which will allow the City to pass to property owners in the CFD the economic benefit of the refunding of the Prior Bonds; and

WHEREAS, staff has prepared the proposed Fiscal Year 2024-25 levy of CFD Special Taxes and recommends that the Council approve the proposed levy; and

WHEREAS, the CFD encompasses approximately 800 projected residential units and a significant amount of non-residential square footage in the Bay Meadows project area; and

WHEREAS, approval of the special tax roll prior to the County of San Mateo’s July 31st deadline for inclusion of special taxes on consolidated property tax bills is required pursuant to Government Code Section 53340 of the Mello-Roos Community Facilities Act of 1982; and

WHEREAS, City of San Mateo Ordinance No. 2012-1 (the “Ordinance”) authorizes the Public Works Director to determine the special tax amount in accordance with the Rate and Method of Apportionment, prepare the annual special tax roll, and present the roll to the City Council for consideration; and

WHEREAS, the Ordinance requires that the Public Works Director be authorized to send the special tax, special tax roll, and all necessary and appropriate information to the County of San Mateo Auditor to be included in the County secured property tax rolls for collection each fiscal year.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA HEREBY FINDS AND RESOLVES that:

1. This City Council action is not subject to CEQA review because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4)).
2. The City Council finds and determines that the foregoing recitals are true and correct.
3. The City Council hereby approves the proposed Fiscal Year 2024-25 levy, as presented by staff to Council, and authorizes the Public Works Director to effect the levy in accordance with the Act and Ordinance No. 2012-1.
4. The City's officers and staff are hereby authorized and directed, jointly and severally, to do all things and to execute and deliver all documents and contracts they deem necessary or advisable to accomplish the purposes of this Resolution. All such actions previously taken by City officers and staff are hereby ratified, confirmed, and approved.
5. The Controller is hereby authorized to place up to the assessment, charge, or tax on the property tax roll with the following per unit, per square foot, or per acre amounts identified in the table below:

| Land Use Class | Description | Residential Floor Area (square feet) | Location | FY 2011-12 Maximum Special Tax | FY 2024-25 Maximum Special Tax |
|----------------|---|--------------------------------------|----------|--------------------------------|--------------------------------|
| 1 | Residential Property | Greater than 2,300 | NA | \$5,405.00 | \$6,991.94 |
| 2 | Residential Property | 2,151 to 2,300 | NA | \$5,288.00 | \$6,840.59 |
| 3 | Residential Property | 2,001 to 2,150 | NA | \$4,989.00 | \$6,453.80 |
| 4 | Residential Property | 1,851 to 2,000 | NA | \$4,973.00 | \$6,433.11 |
| 5 | Residential Property | 1,701 to 1,850 | NA | \$4,917.00 | \$6,360.66 |
| 6 | Residential Property | 1,551 to 1,700 | NA | \$4,557.00 | \$5,894.97 |
| 7 | Residential Property | 1,401 to 1,550 | NA | \$4,069.00 | \$5,263.69 |
| 8 | Residential Property | 1,251 to 1,400 | NA | \$3,701.00 | \$4,787.64 |
| 9 | Residential Property | 1,101 to 1,250 | NA | \$3,482.00 | \$4,504.34 |
| 10 | Residential Property | 951 to 1,100 | NA | \$3,158.00 | \$4,085.21 |
| 11 | Residential Property | 801 to 950 | NA | \$2,572.00 | \$3,327.16 |
| 12 | Residential Property | Less than 801 | NA | \$2,332.00 | \$3,016.69 |
| 13 | Below Market-Rate Units | Greater than 1,400 | NA | \$1,344.00 | \$1,738.61 |
| 14 | Below Market-Rate Units | 801-1,400 | NA | \$1,344.00 | \$1,738.61 |
| 15 | Below Market-Rate Units | Less Than 801 | NA | \$1,139.00 | \$1,473.42 |
| 16 | Apartment Property [2] | NA | NA | \$60,000.00 | \$77,616.40 |
| 17 | Non-Residential Property - Office Floor | NA | NA | \$1.77 | \$2.290 |
| 18 | Non-Residential Property - Retail Floor | NA | NA | \$0.52 | \$0.670 |
| NA | Undeveloped Property | NA | NA | \$132,693.00 | \$171,652.54 |

^[1] The Maximum Special Tax is subject to 2% escalation through fiscal year 2060-61.

^[2] Pursuant to the Rate and Method, any Assessor's Parcels or portions of Assessor's Parcels that would ordinarily be classified as Apartment Property that are created after the first 5.306 Acres of Apartment Property have already been established will be classified as Residential Property with Condominium Units or BMR Units located on them, and each dwelling unit located on such Residential Property will be subject to the same Assigned Special Taxes and Backup Special Tax rates as are assigned to Condominium Units or BMR Units, as applicable.

Furthermore, the lowest per parcel assessment is \$0.00, and the expected higher per parcel amount will not exceed \$500,000. The total Fiscal Year 2024-25 Special Tax Levy for CFD No. 2008-1 is \$5,041,334.89.

6. This Resolution shall take effect from and after its date of adoption.