

**RATE AND METHOD OF APPORTIONMENT  
FOR CITY OF CHULA VISTA  
COMMUNITY FACILITIES DISTRICT NO. 16M  
(EL DORADO RIDGE)**

A Special Tax, as hereinafter defined, shall be levied and collected in City of Chula Vista Community Facilities District No. 16M (El Dorado Ridge) ("CFD No. 16M") each Fiscal Year commencing in Fiscal Year 2023/24, in an amount determined by the application of the procedures below. All Taxable Property, as hereinafter defined, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**"Accessory Dwelling Unit" or "ADU"** means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 65852.2(j)(1), as may be amended from time to time, which is accessory to a primary Dwelling Unit of Residential Property. The ADU may be located on the same Assessor's Parcel as the primary Dwelling Unit of Residential Property or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Dwelling Unit of Residential Property are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Dwelling Unit from the primary Dwelling Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU Dwelling Unit only.

**"Acre or Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event the Assessor's Parcel Map or Assessor's Data shows no Acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map. If the preceding maps are not available, the Acreage of an Assessor's Parcel may be determined utilizing GIS.

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

**"Administrative Expenses"** means (i) all costs associated with the formation of CFD No. 16M, the determination of the amount of and collection of Special Taxes, including any charges imposed by the County Auditor's Office, the payment of Special Taxes and the costs of commencing and pursuing to completion any action arising from delinquent Special Taxes, the costs of the City or designee in complying with all regulatory reporting requirements, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 16M, including but not limited to consultant and attorney's fees; (ii) accumulation and funding of reserves for capital replacement costs; (iii) a sinking fund for the Annual Services that could not otherwise be funded in a single Fiscal Year; and (iv) any other expense required in order to carry out the authorized purposes of CFD No. 16M.

**“Annual Services”** means the services authorized to be funded by CFD No. 16M, as described in Exhibit “A”, attached hereto.

**“Annual Services Costs”** means the respective amounts determined by the CFD Administrator required to fund the Annual Services for the applicable yearly period.

**“Annual Special Tax Requirement”** means that amount with respect to CFD No. 16M determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with CFD No. 16M, and (4) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

**“Assessor’s Data”** means Assessor’s Parcel Number, Dwelling Units, Acreage, or other information contained in the records of the County Assessor for each Assessor’s Parcel.

**“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map and/or Assessor’s Data with an assigned Assessor’s Parcel Number.

**“Assessor’s Parcel Map”** means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.

**“Assessor’s Parcel Number”** means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County Assessor for purposes of identification.

**“City”** means the City of Chula Vista, California.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 16M.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 16M”** means the City of Chula Vista Community Facilities District No. 16M (El Dorado Ridge).

**“County”** means the County of San Diego.

**“County Assessor”** means the County Assessor of the County.

**“Developed Property”** means, in any Fiscal Year, all Taxable Property in CFD No. 16M for which a building permit for new construction was issued by the City prior to June 30 of the preceding Fiscal Year.

**“Dwelling Unit”** means a single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation. The number of Dwelling Units assigned to each Assessor’s Parcel may be determined by (i) referencing Assessor’s Data, (ii) site surveys and physical unit counts, (iii) building permit data, and/or (iv) other research by the CFD Administrator.

**“Exempt Property”** means all Assessors’ Parcels within the boundary of CFD No. 16M which are exempt from the Special Tax pursuant to Section E.

**"Final Subdivision Map"** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4120, that creates individual lots for which residential building permits may be issued without further subdivision of such property.

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

**"GIS"** means a geographic information system.

**"Initiative #1935"** means initiative constitutional amendment 1935 which is eligible for the November 5, 2024, general election ballot and will be certified as qualified unless withdrawn by the proponent prior to June 27, 2024, or otherwise removed by a competent court with jurisdiction over such matters.

**"Maximum Special Tax"** means the maximum Special Tax authorized to fund the Annual Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C.

**"Open Space Property"** means property within the boundaries of CFD No. 16M which (i) has been designated with specific boundaries and Acreage on a final subdivision map as open space, (ii) is classified by the County Assessor as open space, (iii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iv) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Property Owner's Association"** means any property owner's association. As used in this definition, a Property Owner's Association includes any home-owner's association, condominium owner's association, master or sub-association or non-residential owner's association.

**"Property Owner's Association Property"** means any property within the boundaries of CFD No. 16M which is (a) owned by a Property Owner's Association or (b) designated with specific boundaries and acreage on a final subdivision map as property owner association property.

**"Proportionately"** means for Taxable Property that the ratio of the Special Tax levy to the Maximum Annual Special Tax is equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 16M.

**"Public Property"** means any property within the boundaries of CFD No. 16M which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other public agency.

**"Residential Property"** means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued for a residential structure containing one or more Dwelling Units, exclusive of ADUs.

**“Special Tax”** means the amount levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Annual Special Tax Requirement.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 16M that are not exempt from the Special Tax pursuant to law or Section E below.

**“Undeveloped Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 16M that are not classified as Developed Property, Open Space Property, Property Owner’s Association Property, or Public Property.

**“Welfare Exempt Property”** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 16M that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act.

**B. DETERMINATION OF TAXABLE PARCELS**

Each Fiscal Year, the CFD Administrator shall determine the valid Assessor’s Parcel Numbers for all Taxable Property within CFD No. 16M. If any Assessor’s Parcel Numbers are no longer valid, the CFD Administrator shall determine the new Assessor’s Parcel Number or Numbers in effect for the then-current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Maximum Special Tax shall be assigned to the new Assessor’s Parcels Numbers pursuant to Section C. The CFD Administrator shall also determine: (i) which Parcels are Taxable Property; (iii) the number of Dwelling Units or Acres each Parcel contains; (iv) the property type, i.e., Residential Property, Accessory Dwelling Unit or Undeveloped Property; and (v) the Annual Special Tax Requirement for the Fiscal Year.

**C. MAXIMUM ANNUAL SPECIAL TAX RATES**

The Maximum Special Taxes for each Assessor’s Parcel of Taxable Property shall be assigned below:

**1. Maximum Special Taxes**

The Maximum Special Tax for each Assessor’s Parcel of Taxable Property shall be assigned according to Table 1 below:

**TABLE 1**  
**MAXIMUM SPECIAL TAX RATES**  
**FISCAL YEAR 2023/24\***

<b>Description</b>	<b>Maximum Special Tax</b>	<b>Per</b>
Residential Property	\$787.00	Dwelling Unit
Accessory Dwelling Unit	\$0.00	Unit
Undeveloped Property	\$13,262.00	Acre

\*On July 1 of each Fiscal Year, commencing on July 1, 2024, the Maximum Special Tax rates shall be increased by a factor equal to the greater of the positive percentage change in the San Diego-Carlsbad, CA, CPI-U for the month of May, or 0%, provided the Maximum Special Tax rates shall never be less than the amounts shown in Table 1.

In some instances, an Assessor's Parcel of Developed Property may include more than one land use category. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Dwelling Units of each property type on that Assessor's Parcel.

**2. Assignment of Assessor's Parcel(s) to Property Land Use Category**

When an Assessor's Parcel changes from being classified as Undeveloped Property to another land use category and is considered Developed Property, that assignment shall not change due to future changes in land use.

**3. Assignment of Maximum Special Tax to Newly Created Assessor's Parcel(s)**

After a Final Subdivision Map has been recorded, if there are changes to the overall planned development within CFD No. 16M, the process for assigning the Maximum Special Tax to each Assessor's Parcel expected to be classified as Residential Property is as follows:

Step 1: Determine the then-current total expected Maximum Special Tax for CFD No. 16M, by referencing Table 2.

Step 2: Identify the Assessor's Parcel(s) of Taxable Property expected to be classified as Residential Property and assign the Maximum Special Tax to each Assessor's Parcel of Taxable Property expected to be classified as Residential Property according to the then-current Maximum Special Tax Rates for such category. Sum the Maximum Special Tax assigned to each Assessor's Parcel of Taxable Property expected to be classified as Residential Property.

Step 3: Divide the total expected Maximum Special Tax in Step 1 by the total Maximum Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total expected Maximum Special Tax from Step 1 to each Assessor's Parcel of Taxable Property expected to be classified as Residential Property by multiplying each Assessor's Parcel fraction, determined in Step 3, by the then-current Maximum Special Tax Rates for Residential Property.

Step 5: The Maximum Special Tax assigned to each Assessor's Parcel of Taxable Property expected to be classified as Residential Property shall be the greater of the Maximum Special Tax assigned in Step 2 or the Maximum Special Tax calculated in Step 4.

If there are no changes to the planned development within CFD No. 16M, the Maximum Special Tax shall be assigned according to Table 1.

The planned development is provided in the table below:

**TABLE 2**  
**PLANNED DEVELOPMENT AND TOTAL EXPECTED MAXIMUM SPECIAL TAX**  
**FISCAL YEAR 2023/24\***

Description	Planned Development	Expected Maximum Special Tax
Residential Property	104 Dwelling Units	\$81,848.00

\*On July 1 of each Fiscal Year, commencing on July 1, 2024, the total expected Maximum Special Tax shown in Table 2 shall be increased by a factor equal to the greater of the positive percentage change in the San Diego-Carlsbad, CA, CPI-U for the month of May, or 0%, provided the total expected Maximum Special Tax rates shall never be less than the amounts shown in Table 2.

Once created, if a newly created Assessor's Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Special Tax for the additional newly created Assessor's Parcel(s) of Taxable Property created from the change or subdivision.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES**

All Taxable Property shall be subject to the Special Tax defined as follows. The Special Tax shall be levied each Fiscal Year by the CFD Administrator.

The Annual Special Tax Requirement shall be apportioned to each Parcel within CFD No. 16M by the method shown below.

First: Determine the Annual Special Tax Requirement.

Second: Levy the Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Special Tax on Developed Property.

Third: If additional monies are needed to satisfy the Annual Special Tax Requirement after the second step has been completed, levy the Special Tax on each Parcel of Undeveloped Property, Proportionately, up to the applicable Maximum Special Tax for Undeveloped Property

Under no circumstances will the Special Taxes on any Assessor's Parcel used for private residential purposes be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 16M.

**E. EXEMPTIONS**

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Open Space Property, Property Owner's Association Property, Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, or Public Property, except as otherwise provided in Sections 53317.3, 53317.5 and 533401 of the Act.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property.

**F. APPEAL OF SPECIAL TAX LEVY**

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Tax. In addition, during the term of the appeal process, all Special Tax levied must be paid on or before the payment date established when the levy was made.

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

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit the Special Tax in future years.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**G. INTERPRETATIONS OF RATE AND METHOD OF APPORTIONMENT**

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

**H. MANNER AND DURATION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 16M, and may collect delinquent Special Taxes through available methods.

A Special Tax shall be levied commencing in Fiscal Year 2023/24 to the extent necessary to satisfy the Annual Special Tax Requirement and shall be levied each Fiscal Year thereafter for as long as

required to satisfy the Annual Special Tax Requirement. However, should Initiative #1935 be included as an initiative measure at election and subsequently be approved by voters, the duration of the Special Tax is 500 years.

**I. PREPAYMENT OF SPECIAL TAX**

The Special Tax may not be prepaid.



**RATE AND METHOD OF APPORTIONMENT  
FOR CITY OF CHULA VISTA  
COMMUNITY FACILITIES DISTRICT NO. 16M  
(EL DORADO RIDGE)**

**Exhibit "A"**

**Authorized Services**

Authorized services ("Services") of Community Facilities District No. 16M (El Dorado Ridge) ("CFD No. 16M") shall include, without limitation, the maintenance of onsite and offsite open space easements, including but not limited to, biotic surveys, habitat maintenance and restoration, and compliance reporting, all as more fully described in those certain Management and Monitoring Plans for the El Dorado Ridge Residential Development Project, in addition to incidental expenses incurred in connection with CFD No. 16M and such other services authorized by the Act. Such Services shall include, without limitation:

- (i) Onsite Open Space Easement – Annual biotic surveys, annual public services, annual habitat maintenance/restoration, annual reporting, annual contingency and administration costs;
- (II) Offsite Open Space Easement – Annual biotic surveys, habitat maintenance/restoration, reporting, and contingency and administration costs;
- (III) Administrative Expenses - (i) all costs associated with the formation of CFD No. 16M, the determination of the amount of and collection of Special Taxes, including any charges imposed by the County Auditor's Office, the payment of Special Taxes and the costs of commencing and pursuing to completion any action arising from delinquent Special Taxes, the costs of the City or designee in complying with all regulatory reporting requirements, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 16M, including but not limited to consultant and attorney's fees; (ii) accumulation and funding of reserves for capital replacement costs; (iii) a sinking fund for the Annual Services that could not otherwise be funded in a single Fiscal Year; and (iv) any other expense required in order to carry out the authorized purposes of CFD No. 16M.