RESOLUTION NO. 05-01

A RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT

SANTA CLARA COUNTY LIBRARY DISTRICT JOINT POWERS AUTHORITY
Community Facilities District No. 2005-1

WHEREAS, On December 16, 2004, the Board of Directors (the “Board”) of the Santa Clara County Library District Joint Powers Authority (the “Authority”) adopted a Resolution entitled “A Resolution of Intention to Establish a Community Facilities District” (the “Resolution of Intention”) with respect to the Santa Clara County Library District Joint Powers Authority Community Facilities District No. 2005-1 (the “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”); and

WHEREAS, The Resolution of Intention incorporates a map of the proposed boundaries of the CFD, states the services to be provided, the cost of providing such services and the rate and method of apportionment of the special tax to be levied within the CFD, and is on file with the Clerk of the Board and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, The services to be provided as stated in the Resolution of Intention are set forth in Exhibit A attached hereto and hereby made a part hereof; and

WHEREAS, This Board noticed a public hearing to be held on Thursday, January 27, 2005, all pursuant to the Act and the Resolution of Intention relating to the proposed formation of the CFD; and

WHEREAS, At the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the services to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and

WHEREAS, At the hearing evidence was presented to this Board on said matters before it, including a report to be prepared by the County Librarian (the “Report”) as to the services to be provided in the CFD and the costs thereof, a copy of which is on file with the Clerk of the Board, and this Board at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, Written protests with respect to the formation of the CFD, the furnishing of specified types of services and the rate and method of apportionment of the special taxes have not been filed with the Clerk of the Board by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or property owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the proposed special tax; and

WHEREAS, The special tax proposed to be levied in the CFD to pay for the proposed services to be provided therein has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or the owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the special tax;
NOW, THEREFORE, BE IT RESOLVED, As follows:

1. Recitals Correct. The foregoing recitals are true and correct.

2. No Majority Protest. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

3. Prior Proceedings Valid. All prior proceedings taken by this Board in connection with the establishment of the CFD and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.

4. Name of CFD. The community facilities district designated “Santa Clara County Library District Joint Powers Authority Community Facilities District No. 2005-1” of the Authority is hereby established pursuant to the Act.

5. Boundaries of CFD. The boundaries of the CFD are as set forth in the map of the CFD heretofore recorded in the Santa Clara County Recorder’s Office on December 27, 2004 in Book 40 at Page 31 of Maps of Assessment and Community Facilities Districts.

6. Description of Services. The type of public services proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as services (the “Services”) in Exhibit A hereto and by this reference incorporated herein.

7. Special Tax.
   a. While the Special Tax (the “Special Tax”) is sufficient to pay the costs of the Services as may be secured by the recordation of a continuing lien against all non-exempt real property in the CFD, the Special Tax is intended to be levied annually within the CFD and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this Board, which will be addressed if and when the electors approve the Special Tax.
   b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay are shown in Exhibit B attached hereto and by this reference incorporated herein, which Exhibit B contains any reductions or decreases in the Special Tax ordered by the Board after and as a result of the hearing.

8. Responsible Official. The County Librarian, telephone number (408) 293-2326 is the officer of the Authority who will be responsible for preparing annually a current roll of special tax levy obligations by assessor’s parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.

9. Appropriations Limit. In accordance with the Act, the aggregate annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at $8,111,900 and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.
10. **Election.** Pursuant to the provisions of the Act, the proposition of the levy of the special tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Board.

11. **Effective Date.** This resolution shall take effect upon its adoption.

************
PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Santa Clara County Library District Joint Powers Authority, State of California, on this 27th day of January, 2005, by the following vote to wit:

LIBRARY JPA REPRESENTATIVES: Chair Don Gage, Board members Dan Furtado, Richard Lowenthal, Bob Dillon, Curtis Cole, Jean Mordo, Debbie Giordano, Barbara Nesbet, Steve Tate, Norman Kline and Liz Kniss.

AYES: Ten (10)

NOES: None

ABSENT: Liz Kniss

SIGNED: _________________________________

Donald F. Gage, Chair

ATTEST:

Melinda Cervantes, County Librarian

APPROVED AS TO FORM AND LEGALITY:

__________________________       ____________________________
Kathryn A. Berry        Stephen R. Casaleggio
Deputy County Counsel   Special Counsel
DESCRIPTION OF SERVICES

The Services shall consist of all public library services as authorized by the Act.
EXHIBIT B

SANTA CLARA COUNTY LIBRARY DISTRICT JOINT POWERS AUTHORITY
Community Facilities District No. 2005-1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor Parcel in Community Facilities District No. 1 of the Santa Clara County Library District Joint Powers Authority shall be levied and collected according to the tax liability determined by the Library Joint Powers Board or its designee, through the application of this Rate and Method of Apportionment of Special Tax. All of the property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

SECTION A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Acre” or “Acreage” means the land area of an Assessor Parcel as shown on an Assessor Parcel map, or if the land area is not shown on an Assessor Parcel map, the land area shown on the applicable final map or other parcel map recorded with the County of Santa Clara.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means any or all of the following: the expenses of the Authority in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, and all other costs and expenses of the Authority in any way related to the establishment or administration of the CFD.

“Administrator” means the person or firm designated by the Authority to administer the Special Tax according to the Rate and Method.

“Assessor Parcel” or “Parcel” means a lot or parcel with an assigned County of Santa Clara Assessor’s Parcel number shown on a County of Santa Clara Assessor’s Parcel map.

“Authority” means the Santa Clara County Library District Joint Powers Authority, acting as the legislative body of the CFD.

“CFD” means Community Facilities District No. 2005-1 of the Authority.

“CFD Initiation” means December 16, 2004, the date the Authority approved a Resolution of Intention to form the CFD.

“Condominium/Townhouse Property” means all Assessor Parcels in the CFD on which a condominium or townhouse Unit has been constructed. Parcels categorized as
Condominium/Townhouse Property shall be designated by County Land Use Code 06. The Administrator may also categorize an Unmarked Parcel as Condominium/Townhouse Property if the use on the Parcel fits into the definition set forth above.

“County Land Use Code” means the numerical code assigned by the Santa Clara County Assessor’s Office to identify the land use on an Assessor Parcel.

“Exempt Property” means any property in the CFD that is: (i) used for streets, pipelines, public schools, public buildings, churches, other quasi-public buildings, public and quasi-public open space, reservoirs, water supply, or flood control; (ii) designated marsh, swamp, or tidal flat lands; or (iii) Public Property, as defined below. Parcels categorized as Exempt Property shall be designated by one of the following County Land Use Codes: 41, 42, 47, 71, 74, 76, 77, 81, 82, 83, 84, 85, 86, 89, 95, 98.

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

“Land Use Class” means any of the individual land use categories identified in Table 1 of Section C below and defined herein.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied in any Fiscal Year determined under this Rate and Method.

“Miscellaneous Vacant Property” means all Assessor Parcels in the CFD used for landfills, extractive land uses, or agriculture, or on which military bases, commercial open spaces, nonprofit open spaces, vacant urban property, forest and brush lands, flower growers, or extensive testing facilities are located. Parcels categorized as Miscellaneous Vacant Property shall be designated by one of the following County Land Use Codes: 66, 69, 78, 87, 88, 90, 91, 92, 93, 94, 96, 97, 99. The Administrator may also categorize an Unmarked Parcel as Miscellaneous Vacant Property if the use on the Parcel fits into the definition set forth above.

“Multi-Family Residential Property” means all Assessor Parcels in the CFD on which two or more residential Units, whether detached or attached, have been constructed. Parcels categorized as Multi-Family Residential Property shall be designated by one of the following County Land Use Codes: 02, 03, 04. The Administrator may also categorize an Unmarked Parcel as Multi-Family Residential Property if the use on the Parcel fits into the definition set forth above.

“Non-Retail Business Property” means all Assessor Parcels in the CFD on which industrial non-manufacturing or manufacturing businesses, offices, banks, or clinics, commercial condominiums, service stations, childcare, preschool, or adult daycare centers, residential care facilities (other than skilled nursing), mortuaries, recreational facilities, social clubs, fraternal orders or community centers, hospitals and hospital-owned buildings, playgrounds and playfields at public schools, or schools other than public schools are operating. Parcels categorized as Non-Retail Business Property shall be designated by one of the following County Land Use Codes: 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 59, 60, 61, 62, 63, 64, 65, 68, 70, 72, 73, 75. The Administrator may also categorize an Unmarked Parcel as Non-Retail Business Property if the use on the Parcel fits into the definition set forth above.

“Other Residential Property” means all Assessor Parcels in the CFD on which residential property other than Single Family Residential Property, Condominium/Townhouse Property, or Multi-Family Residential Property has been constructed, including farm labor camp
dwellings in urban locations, fraternity, sorority, boarding, or rooming houses, summer cabins, or camps and campgrounds. Parcels categorized as Multi-Family Residential Property shall be designated by one of the following County Land Use Codes: 05, 07, 09, 79. The Administrator may also categorize an Unmarked Parcel as Other Residential Property if the use on the Parcel fits into the definition set forth above.

“Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor Parcels of Taxable Property.

“Public Property” means any CFD Assessor Parcel owned by or irrevocably offered for dedication to the United States of America, the State of California, the County of Santa Clara, or other local governments.

“Rate and Method” means this Rate and Method of Apportionment of Special Tax.

“Retail Property” means all Assessor Parcels in the CFD on which regional, community, neighborhood, or specialty shopping centers, business districts, small clusters or isolated stores, or self-generative businesses (i.e., auto-oriented and drive-in businesses, strip commercial) are operating. Parcels categorized as Retail Property shall be designated by one of the following County Land Use Codes: 50, 51, 52, 53, 54, 55, 56, 57, 58. The Administrator may also categorize an Unmarked Parcel as Retail Property if the use on the Parcel fits into the definition set forth above.

“Services” means the library services authorized to be financed, in whole or in part, by the Special Taxes in the CFD.

“Single Family Residential Property” means all Assessor Parcels in the CFD on which only one single family Unit has been constructed. Parcels categorized as Single Family Residential Property shall be designated by County Land Use Code 01. The Administrator may also categorize an Unmarked Parcel as Single Family Residential Property if the use on the Parcel fits into the definition set forth above.

“Special Tax” means any tax levied in the CFD pursuant to this Rate and Method.

“Special Tax Requirement” means the amount needed in any Fiscal Year to: (i) pay the cost of the Services; (ii) create a sinking fund for services that could not otherwise be funded in a given Fiscal Year; (iii) cure any delinquencies in the payment of Special Taxes that have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of Special Taxes, are expected to occur in the Fiscal Year in which the tax will be collected; and (iv) pay Administrative Expenses.

“Taxable Property” means any Assessor Parcel within the CFD that is not exempt from the Special Tax by applicable law or Section F below.

“Transportation & Utilities Property” means all Assessor Parcels in the CFD used for railroad transportation, utilities and communications, air transportation, or bus and truck transportation. Parcels categorized as Transportation & Utilities Property shall be designated by one of the following County Land Use Codes: 43, 44, 45, 46. The Administrator may also categorize an Unmarked Parcel as Transportation & Utilities Property if the use on the Parcel fits into the definition set forth above.
“Unit” means a structure constructed primarily for human habitation, which may be an individual detached residential unit, an individual attached residential unit within a duplex, triplex, fourplex, townhome, or condominium structure, an individual apartment unit, or a mobile home or other dwelling unit as described above under Other Residential Property.

“Unmarked Parcel” means an Assessor Parcel in the CFD that: (i) has not been assigned a County Land Use Code by the County Assessor’s Office; (ii) has been assigned a County Land Use Code that did not exist as of CFD Initiation; or (iii) has been assigned a County Land Use Code that does not exist as of July 1 of any Fiscal Year.

SECTION B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall: (i) obtain the current Assessor’s tax roll for the area within the CFD; (ii) identify the current Assessor Parcel numbers for Taxable Property within the CFD; (iii) determine the Land Use Class for any Unmarked Parcel in the CFD; and (iv) categorize each Parcel of Taxable Property into a Land Use Class.

SECTION C. MAXIMUM SPECIAL TAX

1. Special Tax Rates

Table 1 below identifies the Maximum Special Taxes for Taxable Property within the CFD, including the Maximum Special Tax per Unit or Acre and the Maximum Special Tax per Parcel.

Table 1 a. Maximum Special Taxes at $33.66

<table>
<thead>
<tr>
<th>Land Use Class</th>
<th>Maximum Special Tax per Unit or Acre</th>
<th>Maximum Special Tax per Parcel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential Property</td>
<td>$33.66 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Condominium/ Townhouse Property</td>
<td>$33.66 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Multi-Family Residential Property</td>
<td>$16.83 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Other Residential Property</td>
<td>$16.83 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Retail Property</td>
<td>$16.83 per .20 Acre</td>
<td>$2,524.50</td>
</tr>
<tr>
<td>Non-Retail Business Property</td>
<td>$25.25 per .10 Acre</td>
<td>$7,575.00</td>
</tr>
<tr>
<td>Miscellaneous Vacant Property</td>
<td>$6.73 per Acre</td>
<td>$67.30</td>
</tr>
<tr>
<td>Transportation &amp; Utilities Property</td>
<td>$16.83 per .20 Acre</td>
<td>$2,524.50</td>
</tr>
</tbody>
</table>
### Table 1 b.
**Maximum Special Taxes at $12.00**

<table>
<thead>
<tr>
<th>Land Use Class</th>
<th>Maximum Special Tax per Unit or Acre</th>
<th>Maximum Special Tax per Parcel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential Property</td>
<td>$12.00 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Condominium/Townhouse Property</td>
<td>$12.00 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Multi-Family Residential Property</td>
<td>$6.00 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Other Residential Property</td>
<td>$6.00 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Retail Property</td>
<td>$6.00 per .20 Acre</td>
<td>$900.00</td>
</tr>
<tr>
<td>Non-Retail Business Property</td>
<td>$9.00 per .10 Acre</td>
<td>$2,700.00</td>
</tr>
<tr>
<td>Miscellaneous Vacant Property</td>
<td>$1.40 per Acre</td>
<td>$24.00</td>
</tr>
<tr>
<td>Transportation &amp; Utilities Property</td>
<td>$6.00 per .20 Acre</td>
<td>$900.00</td>
</tr>
</tbody>
</table>

### Table 1 c.
**Maximum Special Taxes at Total of Table 1a and 1b**

<table>
<thead>
<tr>
<th>Land Use Class</th>
<th>Maximum Special Tax per Unit or Acre</th>
<th>Maximum Special Tax per Parcel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential Property</td>
<td>$45.66 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Condominium/Townhouse Property</td>
<td>$45.66 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Multi-Family Residential Property</td>
<td>$22.83 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Other Residential Property</td>
<td>$22.83 per Unit</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Retail Property</td>
<td>$22.83 per .20 Acre</td>
<td>$3,424.50</td>
</tr>
<tr>
<td>Non-Retail Business Property</td>
<td>$34.25 per .10 Acre</td>
<td>$10,275</td>
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<tr>
<td>Miscellaneous Vacant Property</td>
<td>$9.13 per Acre</td>
<td>$91.30</td>
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<tr>
<td>Transportation &amp; Utilities Property</td>
<td>$22.83 per .20 Acre</td>
<td>$3,424.50</td>
</tr>
</tbody>
</table>

2. **Special Tax Minimum**

Notwithstanding the Maximum Special Taxes per Unit or Acre presented in Table 1 above, a Special Tax of at least $3.00 shall be levied on each Parcel of Taxable Property.
SECTION D.  METHOD OF LEVY

Each Fiscal Year, the Special Tax shall be levied on all Parcels of Taxable Property according to the steps outlined below.

**Step 1:** Determine the Special Tax Requirement, as defined in Section A above, for the Fiscal Year in which the Special will be collected;

**Step 2:** Calculate the total Special Tax revenues that could be collected from Taxable Property within the CFD based on application of the Maximum Special Tax rates determined pursuant to Section C above, including applicable escalators;

**Step 3:** If the amount determined in Step 1 is greater than or equal to the amount calculated in Step 2, levy the Maximum Special Tax on all Parcels of Taxable Property in the CFD.

**Step 4:** If the amount determined in Step 1 is less than the amount calculated in Step 2, levy the Special Tax Proportionately on each Assessor Parcel of Taxable Property so the amount of the Special Tax levy equals the Special Tax Requirement for that Fiscal Year.

SECTION E.  COLLECTION AND DURATION OF SPECIAL TAX

Except as may be provided by the Authority, and for delinquencies, the Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes. The Special Tax obligation applicable to an Assessor Parcel in the CFD may not be prepaid and the obligation of the Assessor Parcel to pay the Special Tax may not be permanently satisfied.

The Special Tax shall be levied and collected for a period of up to ten (10) years starting in Fiscal Year 2005-06. In no event shall Special Taxes for the CFD be levied after Fiscal Year 2014-15.

SECTION F.  EXEMPTIONS

Notwithstanding any other provision of this Rate and Method, no Special Tax shall be levied on Exempt Property, except as otherwise provided in the Act.

SECTION G.  APPEALS

Appeals of any claim of incorrect computation of Special Tax or application of this Rate and Method may be made pursuant to the *Library Special Tax Appeals Rules and Procedures*, which was adopted by the Authority on December 3, 2003, and may be subsequently modified by the Administrator with approval from the Authority. For example, to mitigate the Special Tax impact on vacant, unimproved portions of a mixed-use Parcel, a property owner may appeal for an exception that allows the Special Tax for that Parcel to be calculated in two parts: (i) the portion of the Parcel related to developed Acreage will be assigned a Special Tax based on the appropriate Land Use Class; and (ii) the portion of the Parcel related to vacant, unimproved Acreage will be assigned the Special Tax for Miscellaneous Vacant Property. In addition, vacant, unimproved Parcels that are contiguous and under the same ownership may be considered one Parcel for purposes of the Special Tax. Refer to the *Library Special Tax Appeals Rules and Procedures* for more information regarding appeals.
COMMUNITY FACILITIES DISTRICT REPORT

CONTENTS

Introduction
A. Description of Services
B. Proposed Boundaries of the Community Facilities District
C. Cost Estimate

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INTRODUCTION

The Board of Directors (the “Board”) of the Santa Clara County Library District Joint Powers Authority (the “Authority”) did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), on December 16, 2004, adopt a resolution entitled “Resolution of Intention to Establish a Community Facilities District (the “Resolution of Intention”). In the Resolution of Intention, the Board expressly ordered the preparation of a written Community Facilities District Report (the “Report”), for the proposed Santa Clara County Library District Joint Powers Authority Community Facilities District No. 2005-1 (the “CFD”).

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

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

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

NOW, THEREFORE, I, the County Librarian, do hereby submit the following data:

A. DESCRIPTION OF SERVICES. The Services shall consist of all public library services as authorized by the Act.

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

C. COST ESTIMATE. The cost estimate for the Services for the CFD is as follows: $8,111,900.

Dated as of January 27, 2005

By: ______________________________
County Librarian