



GOODWIN CONSULTING GROUP

**ABAG FINANCE AUTHORITY FOR  
NONPROFIT CORPORATIONS  
COMMUNITY FACILITIES DISTRICT NO. 2006-2  
(SAN FRANCISCO MINT PLAZA AREA)**

**CFD TAX ADMINISTRATION REPORT  
FISCAL YEAR 2016-17**

**January 4, 2017**

***Community Facilities District No. 2006-2***  
***CFD Tax Administration Report***

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## ***EXECUTIVE SUMMARY***

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The following summary provides a brief overview of the main points from this report regarding the ABAG Finance Authority for Nonprofit Corporations Community Facilities District No. 2006-2 (San Francisco Mint Plaza Area) (“CFD No. 2006-2” or “CFD”):

### **Fiscal Year 2016-17 Special Tax Levy**

<b>Number of Taxed Parcels</b>	<b>Total Special Tax Levy</b>
88	\$232,880

For further detail regarding the special tax levy, or special tax rates, please refer to Section IV of this report.

### **Development Status for Fiscal Year 2016-17**

<b>Property Location</b>	<b>Number of Taxable Parcels</b>	<b>Taxable Square Feet</b>
410 Jessie St.	54	54,337
418-420 Jessie St.	26	28,057
424 Jessie St.	6	11,116
54 Mint St.	1	17,425
66-90 Mint St.	1	9,975

For more information regarding the status of development in CFD No. 2006-2, please see Section V of this report.

### **Delinquency Summary**

<b>Delinquent Amount for FY 2015-16 (as of October 7, 2016)</b>	<b>Total Levy for FY 2015-16</b>	<b>Delinquency Rate</b>
\$2,284	\$228,314	1.00%

For additional delinquency information, please see Section IX of this report.

## Outstanding Bonds Summary

### Special Tax Bonds, Series 2007A

<b>Issuance Date</b>	<b>Original Principal</b>	<b>Amount Retired</b>	<b>Current Amount Outstanding</b>
November 1, 2007	\$3,270,000	\$210,000*	\$3,060,000*

\* As of the date of this report.

For more information about the bond proceeds, please see Section XI of this report.

## ***I. INTRODUCTION***

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### **ABAG Finance Authority for Nonprofit Corporations Community Facilities District No. 2006-2 (San Francisco Mint Plaza Area)**

On December 20, 2006, the Executive Committee of the Board of Directors (the “Board”) of the ABAG Finance Authority for Nonprofit Corporations (the “Authority”) established CFD No. 2006-2. In a landowner election held on the same day, the then-qualified landowner electors within the CFD authorized the levy of a Mello-Roos special tax on property within CFD No. 2006-2. The landowners also voted to incur bonded indebtedness, secured by special taxes levied in CFD No. 2006-2, in an amount not to exceed \$3,500,000.

On November 1, 2007, CFD No. 2006-2 issued Special Tax Bonds, Series 2007A (the “Series 2007A Bonds”) in the principal amount of \$3,270,000. Proceeds of the Series 2007A Bonds will be used to finance the costs of certain public facilities, namely improvements associated with the conversion of two alleys into a landscaped pedestrian plaza.

CFD No. 2006-2 consists of five renovated historic buildings located at the edge of the City of San Francisco’s Union Square shopping district. The five properties front two alleys that form an “L-shaped” street, wrapping around the northern and western sides of the historic Old U.S. Mint building. The two alleys have been converted into an approximately 20,000 square foot landscaped pedestrian plaza, known as “Mint Plaza.”

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

The reduction in property tax revenue that resulted from the passage of Proposition 13 in 1978 required public agencies and real estate developers to look for other means to fund public infrastructure. The funding available from traditional assessment districts was limited by certain requirements of the assessment acts, and it became clear that a more flexible funding tool was needed. In response, the California State Legislature (the “Legislature”) approved the Mello-Roos Community Facilities Act of 1982, which provides for the levy of a special tax within a defined geographic area, namely a community facilities district, if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad range of facilities, and special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

A community facilities district is authorized to issue tax-exempt bonds that are secured by land within the district. If a parcel does not pay the special tax levied on it, a public agency can foreclose on the parcel and use the proceeds of the foreclosure sale to ensure that bondholders receive interest and principal payments on the bonds. Because bonds issued by a community facilities district are land-secured, there is no risk to a public agency’s general fund or taxing capacity. In addition, because the bonds are tax-exempt, they typically carry an interest rate that is lower than conventional construction financing.

## ***II. PURPOSE OF REPORT***

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This CFD Tax Administration Report (the “Report”) presents findings from research and financial analysis performed by Goodwin Consulting Group, Inc. to determine the fiscal year 2016-17 special tax levy for CFD No. 2006-2. The Report is intended to provide information to interested parties regarding the CFD, including its current financial obligations, special taxes to be levied in fiscal year 2016-17, development status, and improvements authorized to be funded by CFD No. 2006-2.

The remainder of the Report is organized as follows:

- **Section III** identifies the financial obligations of the CFD for fiscal year 2016-17.
- **Section IV** presents a summary of the special tax levy. Additionally, it identifies the method used to apportion special taxes among parcels in CFD No. 2006-2 and the maximum and actual special tax rates for fiscal year 2016-17.
- **Section V** provides an update of the development activity occurring within the CFD.
- **Section VI** provides a description of the authorized public improvements being funded by CFD No. 2006-2.
- **Section VII** provides information regarding funds and accounts established for the Series 2007A Bonds, including the current balances in such funds and accounts.
- **Section VIII** identifies parcels, if any, that have prepaid their special tax obligation.
- **Section IX** provides information regarding special tax delinquencies in CFD No. 2006-2.
- **Section X** provides information regarding bond foreclosure covenants and foreclosure proceedings, if any.
- **Section XI** provides a summary of the CFD’s reporting requirements set forth in the Local Agency Special Tax and Bond Accountability Act (Senate Bill 165).
- **Section XII** provides information on requirements set forth in Assembly Bill 1666.
- **Section XIII** provides information regarding arbitrage rebate calculations.

### **III. SPECIAL TAX REQUIREMENT**

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Pursuant to the Rate and Method of Apportionment of Special Tax (the “RMA”), which was adopted as an exhibit to the Resolution of Formation of CFD No. 2006-2, the Special Tax Requirement means the amount that must be levied in any fiscal year to (i) pay principal and interest on bonds, (ii) create or replenish reserve funds, (iii) cure any delinquencies in the payment of principal or interest on bonds which have occurred in the prior fiscal year or, based on delinquencies in the payment of special taxes which have already taken place, are expected to occur in the fiscal year in which the tax will be collected, (iv) pay administrative expenses, and (v) pay the costs of public improvements authorized to be financed by CFD No. 2006-2. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any fiscal year by (i) interest earnings on or surplus balances in funds and accounts for bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the bond indenture, bond fiscal agent agreement, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent special taxes, and (iii) any other revenues available to pay debt service on bonds as determined by the Administrator. For fiscal year 2016-17, the Special Tax Requirement is \$232,880 and is calculated in the table below.

**Community Facilities District No. 2006-2  
Special Tax Requirement  
Fiscal Year 2016-17**

<b>Debt Service Payments</b>		<b>\$209,038</b>
March 1, 2017 Interest Payment	\$82,019	
September 1, 2017 Interest Payment	\$82,019	
September 1, 2017 Principal Payment	\$45,000	
<b>CFD Administrative Expenses</b>		<b>\$23,842</b>
CFD Administration Costs*	\$22,962	
County Fee for Placing Levy on Roll	\$880	
<b>Special Tax Requirement for Fiscal Year 2016-17</b>		<b>\$232,880</b>

\* Includes ABAG, Trustee, and CFD Administrator costs.

The total bond debt service due in calendar year 2017 to be paid from special taxes levied in fiscal year 2016-17 totals \$209,038, and the total amount of administrative expenses for fiscal year 2016-17 is \$23,842. The combined total expense for CFD No. 2006-2 for fiscal year 2016-17 is therefore \$232,880.

## ***IV. SPECIAL TAX LEVY***

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Special taxes within CFD No. 2006-2 are levied pursuant to the methodology set forth in the RMA. Among other things, the RMA establishes various special tax categories against which the special tax may be levied, the maximum special tax rates, and the methodology by which the special tax is applied. *(All capitalized terms, unless otherwise stated, are defined in the RMA which is attached as Appendix C of this Report.)*

### **Special Tax Categories**

Special taxes will be levied within CFD No. 2006-2 based on the amount of taxable area within the buildings in the CFD. For the buildings identified as 410-414 Jessie Street, 416-418-420 Jessie Street, and 424 Jessie Street, the amount of taxable area shall be the sum of the living area of all Residential Units and the commercial floor area within the building. A Residential Unit is defined as an individual for-sale or for-rent residential dwelling unit within CFD No. 2006-2, including units that will be used as live/work condominiums. For the buildings identified as 54 Mint Street and 66-90 Mint Street, the amount of taxable area shall be the sum of the (i) living area, (ii) commercial floor area, (iii) storage area, and (iv) parking area, if any.

### **Maximum Special Tax Rates**

The maximum special tax rates applicable to taxable property in CFD No. 2006-2 are set forth in Section C of the RMA. The table on the following page summarizes the maximum special taxes that can be levied on property in CFD No. 2006-2 for fiscal year 2016-17.

**Community Facilities District No. 2006-2  
Maximum Special Tax Rates  
Fiscal Year 2016-17\***

<b>Property Address</b>	<b>Assessor's Block Number(s)**</b>	<b>Maximum Special Tax</b>
410 Jessie Street	3704-079 through 3704-112	\$2.13 per square foot of taxable area
418-420 Jessie Street	3704-006	\$2.13 per square foot of taxable area
424 Jessie Street	3704-009	\$2.13 per square foot of taxable area
54 Mint Street	3704-034	\$1.22 per square foot of taxable area
66-90 Mint Street	3704-012	\$1.22 per square foot of taxable area

\* *On July 1 of each fiscal year, the maximum special tax shall be increased by an amount equal to 2.0% of the amount in effect for the prior fiscal year.*

\*\* *The maximum special taxes shown above for assessor's block and lot numbers at formation shall continue to apply to all taxable area within the buildings regardless of change in assessor's block or lot numbers or changes in parcel configuration.*

### **Apportionment of Special Taxes**

The amount of special tax that is apportioned to each parcel is determined through the application of Section E of the RMA. Section E apportions the Special Tax Requirement in two steps which prioritize the order in which properties are taxed, and is as follows: First, levy a special tax proportionately on each parcel of taxable property, except taxable public property, up to 100% of the maximum special tax for each parcel for such fiscal year determined pursuant to Section C of the RMA. If additional revenue is needed after the first step, the special tax shall be levied on each parcel of taxable public property up to 100% of the maximum special tax for each parcel for such fiscal year determined pursuant to Section C of the RMA.

For fiscal year 2016-17, there was a total of 120,910 taxable square feet within CFD No. 2006-2. In order to fully fund the Special Tax Requirement, each square foot of taxable area was levied the applicable maximum special tax for fiscal year 2016-17, which will generate \$232,880 assuming no delinquencies. The special tax roll, which identifies the special tax to be levied against each parcel in CFD No. 2006-2 in fiscal year 2016-17, is provided in Appendix B of this Report.

## ***V. DEVELOPMENT UPDATE***

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As of July 1, 2016, there was a total of 120,910 square feet of taxable property within the CFD. Based on the current status of development in CFD No. 2006-2, the table below summarizes the allocation of square footage of taxable property to the five buildings in the CFD:

**Community Facilities District No. 2006-2  
Allocation of Taxable Square Footage  
Fiscal Year 2016-17**

<b>Property Address</b>	<b>Taxable Square Feet</b>
410 Jessie Street	54,337
418-420 Jessie Street	28,057
424 Jessie Street	11,116
54 Mint Street	17,425
66-90 Mint Street	9,975

## ***VI. AUTHORIZED CFD IMPROVEMENTS***

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The Resolution of Formation adopted by the Authority on December 20, 2006, authorizes the financing of the following improvements:

- Grading, paving, landscaping, irrigation, site furniture, trash containers and other improvements to create a pedestrian plaza to be known as “Mint Plaza”
- Lighting, landscaping and parking improvements to a portion of Mint Street
- Other related improvements and appurtenances

As mentioned previously, the CFD is authorized to issue bonded indebtedness up to \$3,500,000. This amount was determined based on the projected special tax revenues that could be generated within CFD No. 2006-2.

## ***VII. CFD FUNDS***

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Seven funds and accounts were established pursuant to the bond indenture between the Authority and Union Bank of California, N.A. (the “Trustee”). Following is a brief description of the purpose of each fund.

The **Improvement Fund** is held and maintained in trust by the Trustee. Moneys in the Improvement Fund shall be disbursed for the payment or reimbursement of costs of the project pursuant to provisions of the indenture. This fund has been closed.

The **Costs of Issuance Fund** is held and maintained in trust by the Trustee. This fund was created for the payment or reimbursement of costs of issuance. The Trustee shall maintain the Costs of Issuance Fund for a period of 90 days from the date of delivery of the Series 2007A Bonds and then shall transfer any moneys remaining to the Administrative Expense Fund. This fund has been closed.

The **Reserve Fund** is held and maintained in trust by the Trustee. This fund was established as a reserve for the payment of principal and interest on bonds in the event the balance in the Bond Fund is insufficient to make debt service payments. The Reserve Requirement is \$310,000 as of June 30, 2016.

The **Bond Fund** is held and maintained in trust by the Trustee. Within the Bond Fund, there is a **Special Tax Prepayments Account**. The Bond Fund was created to pay principal and interest on bonds. The Trustee shall withdraw from the Bond Fund the amount necessary to pay the principal and interest on bonds when due. Moneys in the Special Tax Prepayments Account shall be transferred to the Bond Fund for redemption of bonds from proceeds available from the prepayment of special taxes.

The **Special Tax Fund** is held and maintained in trust by the Trustee. This fund was created to hold the special tax receipts apportioned to CFD No. 2006-2. The Trustee shall disburse all money received from special tax revenues pursuant provisions of the indenture.

The **Administrative Expense Fund** is held and maintained in trust by the Trustee. All money in the Administrative Expense Fund shall be withdrawn by the Trustee and paid to the Authority to pay for administrative expenses or costs of issuance. On the last day of each fiscal year, the Trustee shall withdraw any amounts remaining in the Administrative Expense Fund in excess of \$30,000 that have not been allocated to pay administrative expenses incurred but not yet paid, and which are not otherwise encumbered, and transfer such amounts to the Special Tax Fund.

## **Fund Balances**

As of June 30, 2016, the various CFD funds and accounts had the following balances:

**Community Facilities District No. 2006-2  
Fund and Account Balances  
As of June 30, 2016**

<b>Reserve Fund</b>	<b>\$311,510</b>
<b>Bond Fund</b>	<b>\$1</b>
<b>Special Tax Prepayments Account</b>	<b>\$0</b>
<b>Special Tax Fund</b>	<b>\$119,412</b>
<b>Administrative Expense Fund</b>	<b>\$30,030</b>

## ***VIII. PREPAYMENTS***

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As of June 30, 2016, no property owner in CFD No. 2006-2 has prepaid his/her special tax obligation; therefore, all parcels of taxable property are subject to the special tax levy for fiscal year 2016-17 pursuant to the RMA.

## ***IX. DELINQUENCIES***

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As of October 7, 2016, the San Francisco County Tax Collector's Office reports the following delinquency amounts for CFD No. 2006-2:

### **Community Facilities District No. 2006-2 Delinquencies as of October 7, 2016**

<b>Fiscal Year</b>	<b>Parcels Delinquent</b>	<b>Delinquent Amount</b>	<b>CFD Tax Levied</b>	<b>Percent Delinquent</b>
2015-16	1	\$2,284	\$228,314	1.00%
2014-15	0	\$0	\$223,837	0.00%
2013-14	0	\$0	\$219,448	0.00%
2012-13	0	\$0	\$215,145	0.00%
2011-12	0	\$0	\$210,926	0.00%

## ***X. FORECLOSURE COVENANT***

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The Authority has covenanted in the indenture with and for the benefit of the owners of the Series 2007A Bonds that on or about February 15 and June 15 of each fiscal year, the Chief Financial Officer (the “CFO”) will compare the amount of special taxes theretofore levied in the CFD to the amount of special tax revenues theretofore received by the Authority, and:

Individual Delinquencies. If the CFO determines that any single parcel subject to the special tax in CFD No. 2006-2 is delinquent in the payment of special taxes in the aggregate amount of \$3,000 or more, then the CFO will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the Authority within 90 days of such determination. It should be noted, however, that the indenture authorizes the CFO to defer initiating foreclosure if the amount in the Reserve Fund is at least equal to the Reserve Requirement.

Aggregate Delinquencies. If the CFO determines that (i) the total amount of delinquent special tax for the prior fiscal year for the entire CFD, (including the total of delinquencies described in “Individual Delinquencies” above), exceeds 5% of the total special tax due and payable for the prior fiscal year, or (ii) there are ten (10) or fewer owners of real property within CFD No. 2006-2, determined by reference to the latest available secured property tax roll of San Francisco County, the CFO will notify or cause to be notified property owners who are then delinquent in payment of special taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and the Authority will commence foreclosure proceedings within 90 days of such determination against each parcel of land in CFD No. 2006-2 with a special tax delinquency.

As of the date of this Report, the Authority has not been required to initiate foreclosure proceedings on parcels in CFD No. 2006-2.

## ***XI. SENATE BILL 165 REPORTING REQUIREMENTS***

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On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency. Pursuant to Sections 50075.3 and 53411, the chief fiscal officer of the public agency will, by January 1, 2002, and at least once a year thereafter, file a report with the public agency's governing body setting forth the following information.

### **Section 50075.3**

*Item (a): Identify the amount of special taxes that have been collected and expended.*

The fiscal year 2015-16 special tax levy was \$228,314. Since \$2,284 is delinquent, the Authority received \$226,030 in special taxes as of October 7, 2016. The \$226,030 in special tax revenue was used to pay debt service in March and September 2016 on the Series 2007A Bonds, as well as on administrative costs for CFD No. 2006-2.

*Item (b): Identify the status of any project required or authorized to be funded by the special taxes.*

Special tax revenue was used to pay debt service on the Series 2007A Bonds, as well as for administrative expenses of the CFD.

### **Section 53411**

*Item (a): Identify the amount of bonds that have been collected and expended.*

The Series 2007A Bonds were issued by the Authority on November 1, 2007, in the aggregate principal amount of \$3,270,000. An Original Issue Discount of \$17,442 and an Underwriter's Discount of \$65,569 left a total of \$3,186,989 in bond proceeds. Upon issuance of the bonds, \$2,689,890 was deposited into the Improvement Fund. Also from bond proceeds, \$199,000 was deposited into the Costs of Issuance Fund to pay the costs of issuing the bonds. The remaining \$298,099 of bond proceeds was deposited into the bond Reserve Fund.

*Item (b): Identify the status of any project required or authorized to be funded from bond proceeds.*

The authorized facilities to be funded from bond proceeds have been constructed with monies within the Improvement Fund. The authorized improvements are shown in Section VI of this Report.

## ***XII. ASSEMBLY BILL 1666 REQUIREMENTS***

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On July 25, 2016, Governor Jerry Brown signed Assembly Bill No. 1666, adding Section 53343.2 to the California Government Code (“GC”). The bill enhances the transparency of community facilities districts by requiring that certain reports be accessible on a local agency’s web site. Pursuant to Section 53343.2, a local agency that has a web site shall, within seven months after the last day of each fiscal year of the district, display prominently on its web site the following information:

Item (a): A copy of an annual report, if requested, pursuant to GC Section 53343.1. The report required by Section 53343.1 includes CFD budgetary information for the prior fiscal year and is only prepared by a community facilities district at the request of a person who resides in or owns property in the community facilities district. If the annual report has not been requested to be prepared, then a posting to the web site would not be necessary.

Item (b): A copy of the report provided to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to GC Section 53359.5. Under Section 53359.5, local agencies must provide CDIAC with the following: (i) notice of proposed sale of bonds; (ii) annual reports on the fiscal status of bonded districts; and (iii) notice of any failure to pay debt service on bonds, or of any draw on a reserve fund to pay debt service on bonds.

Item (c): A copy of the report provided to the State Controller’s Office pursuant to GC Section 12463.2. This section refers to the parcel tax portion of a local agency’s Financial Transactions Report that is prepared for the State Controller’s Office annually. Note that school districts are not subject to the reporting required by GC Section 12463.2.

### ***XIII. ARBITRAGE REBATE CALCULATION***

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The five-year arbitrage and yield restriction analysis for the Series 2007A Bonds has been prepared by Goodwin Consulting Group, Inc. As a result of the analysis, the Authority has no rebatable arbitrage or yield reduction payments to make with respect to these bonds as of the five-year computation period ending September 1, 2012. The next arbitrage rebate analysis for the Series 2007A Bonds will be completed in September 2017.

## **APPENDIX A**

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### ***Summary of Fiscal Year 2016-17 Special Tax Levy***

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**ABAG Finance Authority for Nonprofit Corporations  
Community Facilities District No. 2006-2  
(San Francisco Mint Plaza Area)  
Fiscal Year 2016-17 Special Tax Levy Summary**

<b>Property Location</b>	<b>Number of Taxable Parcels</b>	<b>Total Taxable Sq. Ft.</b>	<b>FY 2016-17 Maximum Special Tax Per Sq. Ft.</b>	<b>FY 2016-17 Actual Special Tax Per Sq. Ft.</b>	<b>Total FY 2016-17 Special Tax Levy</b>
410 Jessie St.	54	54,337	\$2.13	\$2.13	\$115,913.90
418-420 Jessie St.	26	28,057	\$2.13	\$2.13	\$59,852.36
424 Jessie St.	6	11,116	\$2.13	\$2.13	\$23,713.10
54 Mint St.	1	17,425	\$1.22	\$1.22	\$21,240.98
66-90 Mint St.	1	9,975	\$1.22	\$1.22	\$12,159.46
<b>FY 2016-17 Totals</b>	<b>88</b>	<b>120,910</b>			<b>\$232,879.80</b>

*Goodwin Consulting Group, Inc.*

## **APPENDIX B**

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*Fiscal Year 2016-17 Special Tax Levy  
for Individual Assessor's Parcels*

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**ABAG Finance Authority for Nonprofit Corporations**  
**Community Facilities District No. 2006-2**  
**(San Francisco Mint Plaza Area)**  
**Fiscal Year 2016-17 Special Tax Levy**

<b>Block</b>	<b>Lot</b>	<b>Address</b>	<b>Unit</b>	<b>Square Footage</b>	<b>FY 2016-17 Maximum Special Tax</b>	<b>FY 2016-17 Actual Special Tax</b>
3704	012	66-90 Mint St.		9,975	\$12,159.46	\$12,159.46
3704	034	54 Mint St.		17,425	\$21,240.98	\$21,240.98
3704	079	410 Jessie St.	1	Exempt	\$0.00	\$0.00
3704	080	410 Jessie St.	101	2,292	\$4,889.38	\$4,889.38
3704	081	410 Jessie St.	102	1,174	\$2,504.42	\$2,504.42
3704	085	410 Jessie St.	501	1,242	\$2,649.48	\$2,649.48
3704	086	410 Jessie St.	502	2,018	\$4,304.88	\$4,304.88
3704	087	410 Jessie St.	503	1,107	\$2,361.50	\$2,361.50
3704	088	410 Jessie St.	504	1,363	\$2,907.60	\$2,907.60
3704	089	410 Jessie St.	601	1,242	\$2,649.48	\$2,649.48
3704	090	410 Jessie St.	602	2,018	\$4,304.88	\$4,304.88
3704	091	410 Jessie St.	603	1,107	\$2,361.50	\$2,361.50
3704	092	410 Jessie St.	604	1,363	\$2,907.60	\$2,907.60
3704	093	410 Jessie St.	701	1,240	\$2,645.22	\$2,645.22
3704	094	410 Jessie St.	702	1,199	\$2,557.76	\$2,557.76
3704	095	410 Jessie St.	703	1,104	\$2,355.10	\$2,355.10
3704	096	410 Jessie St.	704	1,092	\$2,329.50	\$2,329.50
3704	097	410 Jessie St.	705	996	\$2,124.70	\$2,124.70
3704	098	410 Jessie St.	801	1,240	\$2,645.22	\$2,645.22
3704	099	410 Jessie St.	802	1,199	\$2,557.76	\$2,557.76
3704	100	410 Jessie St.	803	1,104	\$2,355.10	\$2,355.10
3704	101	410 Jessie St.	804	1,092	\$2,329.50	\$2,329.50
3704	102	410 Jessie St.	805	996	\$2,124.70	\$2,124.70
3704	103	410 Jessie St.	901	1,240	\$2,645.22	\$2,645.22
3704	104	410 Jessie St.	902	1,199	\$2,557.76	\$2,557.76
3704	105	410 Jessie St.	903	1,104	\$2,355.10	\$2,355.10
3704	106	410 Jessie St.	904	1,092	\$2,329.50	\$2,329.50
3704	107	410 Jessie St.	905	996	\$2,124.70	\$2,124.70
3704	108	410 Jessie St.	1001	1,240	\$2,645.22	\$2,645.22
3704	109	410 Jessie St.	1002	1,199	\$2,557.76	\$2,557.76
3704	110	410 Jessie St.	1003	1,104	\$2,355.10	\$2,355.10
3704	111	410 Jessie St.	1004	1,092	\$2,329.50	\$2,329.50
3704	112	410 Jessie St.	1005	996	\$2,124.70	\$2,124.70
3704	113	424 Jessie St.	2	1,559	\$3,325.72	\$3,325.72
3704	114	424 Jessie St.	3	1,559	\$3,325.72	\$3,325.72
3704	115	424 Jessie St.	4	1,559	\$3,325.72	\$3,325.72
3704	116	424 Jessie St.	5	1,559	\$3,325.72	\$3,325.72
3704	117	424 Jessie St.	6	1,559	\$3,325.72	\$3,325.72
3704	118	424 Jessie St.	7 & 8	3,321	\$7,084.50	\$7,084.50
3704	119	410 Jessie St.	103	Exempt	\$0.00	\$0.00
3704	120	410 Jessie St.	201	1,229	\$2,621.76	\$2,621.76

**ABAG Finance Authority for Nonprofit Corporations  
Community Facilities District No. 2006-2  
(San Francisco Mint Plaza Area)  
Fiscal Year 2016-17 Special Tax Levy**

<b>Block</b>	<b>Lot</b>	<b>Address</b>	<b>Unit</b>	<b>Square Footage</b>	<b>FY 2016-17 Maximum Special Tax</b>	<b>FY 2016-17 Actual Special Tax</b>
3704	121	410 Jessie St.	202	768	\$1,638.32	\$1,638.32
3704	122	410 Jessie St.	203	494	\$1,053.82	\$1,053.82
3704	123	410 Jessie St.	204	631	\$1,346.08	\$1,346.08
3704	124	410 Jessie St.	205	433	\$923.70	\$923.70
3704	125	410 Jessie St.	206	674	\$1,437.80	\$1,437.80
3704	126	410 Jessie St.	207	671	\$1,431.40	\$1,431.40
3704	127	410 Jessie St.	208	727	\$1,550.86	\$1,550.86
3704	128	410 Jessie St.	301	1,244	\$2,653.76	\$2,653.76
3704	129	410 Jessie St.	302	769	\$1,640.46	\$1,640.46
3704	130	410 Jessie St.	303	494	\$1,053.82	\$1,053.82
3704	131	410 Jessie St.	304	631	\$1,346.08	\$1,346.08
3704	132	410 Jessie St.	305	433	\$923.70	\$923.70
3704	133	410 Jessie St.	306	674	\$1,437.80	\$1,437.80
3704	134	410 Jessie St.	307	658	\$1,403.68	\$1,403.68
3704	135	410 Jessie St.	308	727	\$1,550.86	\$1,550.86
3704	136	410 Jessie St.	401	1,244	\$2,653.76	\$2,653.76
3704	137	410 Jessie St.	402	769	\$1,640.46	\$1,640.46
3704	138	410 Jessie St.	403	494	\$1,053.82	\$1,053.82
3704	139	410 Jessie St.	404	631	\$1,346.08	\$1,346.08
3704	140	410 Jessie St.	405	433	\$923.70	\$923.70
3704	141	410 Jessie St.	406	674	\$1,437.80	\$1,437.80
3704	142	410 Jessie St.	407	658	\$1,403.68	\$1,403.68
3704	143	410 Jessie St.	408	727	\$1,550.86	\$1,550.86
3704	144	418-420 Jessie St.	101A	4,728	\$10,085.96	\$10,085.96
3704	145	418-420 Jessie St.	102A	Exempt	\$0.00	\$0.00
3704	146	418-420 Jessie St.	201A	589	\$1,256.48	\$1,256.48
3704	147	418-420 Jessie St.	203A	713	\$1,521.00	\$1,521.00
3704	148	418-420 Jessie St.	301A	601	\$1,282.08	\$1,282.08
3704	149	418-420 Jessie St.	302A	691	\$1,474.06	\$1,474.06
3704	150	418-420 Jessie St.	303A	712	\$1,518.86	\$1,518.86
3704	151	418-420 Jessie St.	304A	863	\$1,840.98	\$1,840.98
3704	152	418-420 Jessie St.	306A	817	\$1,742.86	\$1,742.86
3704	153	418-420 Jessie St.	401A	605	\$1,290.62	\$1,290.62
3704	154	418-420 Jessie St.	402A	766	\$1,634.06	\$1,634.06
3704	155	418-420 Jessie St.	403A	721	\$1,538.06	\$1,538.06
3704	156	418-420 Jessie St.	404A	865	\$1,845.26	\$1,845.26
3704	157	418-420 Jessie St.	501A	607	\$1,294.88	\$1,294.88
3704	158	418-420 Jessie St.	502A	767	\$1,636.20	\$1,636.20
3704	159	418-420 Jessie St.	503A	729	\$1,555.14	\$1,555.14
3704	160	418-420 Jessie St.	504A	864	\$1,843.12	\$1,843.12
3704	161	418-420 Jessie St.	601A	606	\$1,292.74	\$1,292.74

**ABAG Finance Authority for Nonprofit Corporations  
Community Facilities District No. 2006-2  
(San Francisco Mint Plaza Area)  
Fiscal Year 2016-17 Special Tax Levy**

<b>Block</b>	<b>Lot</b>	<b>Address</b>	<b>Unit</b>	<b>Square Footage</b>	<b>FY 2016-17 Maximum Special Tax</b>	<b>FY 2016-17 Actual Special Tax</b>
3704	162	418-420 Jessie St.	602A	1,669	\$3,560.38	\$3,560.38
3704	163	418-420 Jessie St.	603A	728	\$1,553.00	\$1,553.00
3704	164	418-420 Jessie St.	701A	606	\$1,292.74	\$1,292.74
3704	165	418-420 Jessie St.	702A	1,670	\$3,562.52	\$3,562.52
3704	166	418-420 Jessie St.	703A	729	\$1,555.14	\$1,555.14
3704	167	418-420 Jessie St.	801A	607	\$1,294.88	\$1,294.88
3704	168	418-420 Jessie St.	802A	1,679	\$3,581.72	\$3,581.72
3704	169	418-420 Jessie St.	803A	735	\$1,567.94	\$1,567.94
3704	170	418-420 Jessie St.	900A	3,390	\$7,231.68	\$7,231.68

<b>Total Fiscal Year 2016-17 Special Tax Levy</b>	<b>\$232,879.80</b>
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*Goodwin Consulting Group, Inc.*

## APPENDIX C

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### *Rate and Method of Apportionment of Special Tax*

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## EXHIBIT B

### ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SAN FRANCISCO MINT PLAZA AREA)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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A Special Tax applicable to each Assessor's Parcel in the ABAG Finance Authority for Nonprofit Corporations Community Facilities District No. 2006-2 (San Francisco Mint Plaza Area) shall be levied and collected according to the tax liability determined by the Board or its designee, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2006-2, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided including property subsequently annexed to CFD No. 2006-2 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**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 Government Code of the State of California.

“**Administrative Expenses**” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the Authority in carrying out its duties with respect to CFD No. 2006-2 and the Bonds, including, but not limited to, the levying and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements under the California Government Code with respect to the Bonds and the Special Tax, and all other costs and expenses of the Authority in any way related to the establishment or administration of CFD No. 2006-2.

“**Administrator**” shall mean the person or firm designated by the Authority to administer the Special Tax according to this RMA.

“**Airspace Parcel**” means a parcel with an assigned Assessor's parcel number that shares common vertical space of an underlying land parcel with other parcels.

**“Assessor’s Parcel”** or **“Parcel”** means a lot, parcel, or Airspace Parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s block and lot number.

**“Assessor’s Parcel Map”** means an official map of the County Assessor designating parcels by Assessor’s block and lot number.

**“Assigned Minimum Taxable Area”** means, as of CFD Formation, the least amount of square footage of Taxable Area that was expected within a building as identified in Attachment 1 of this RMA.

**“Authority”** means the ABAG Finance Authority for Nonprofit Corporations.

**“Board”** means the Board of Directors of the Authority, acting as the legislative body of CFD No. 2006-2.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2006-2.

**“CFD”** or **“CFD No. 2006-2”** means the ABAG Finance Authority for Nonprofit Corporations Community Facilities District No. 2006-2 (San Francisco Mint Plaza Area).

**“CFD Formation”** means the date on which the Resolution of Formation of CFD No. 2006-2 is adopted by the Board.

**“City”** or **“County”** means the City and County of San Francisco.

**“Commercial Floor Area”** means the square footage of commercial area within a particular Parcel, including, but not limited to, area used for retail, restaurant, office, and service operations. The Commercial Floor Area shall be determined by the Administrator by reference to the site permit, condominium plan, or building plan for the building, or the original construction building permits issued for individual Parcels within the building.

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

**“Living Area”** means the square footage of living area reflected in the site permit, condominium plan, or building plan for the building, or the original construction building permit issued for an individual Residential Unit, which may include square footage subsequently added to a Residential Unit after issuance of a building permit for expansion or renovation of the unit.

**“Maximum Special Tax”** means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

**“Parking Area”** means the square footage of lots or Parcels designated on the site plans, condominium plans, or building plans as a parking garage or parking area, or any Parcels that are used for parking operations whether or not the Parcels are so designated on the plans.

**“Public Property”** means any property within the boundaries of CFD No. 2006-2 that is owned by or irrevocably offered for dedication to the federal government, State of California, City or other public agency.

**“Required Coverage”** means the amount by which the Maximum Special Tax revenues must exceed the Bond debt service and required Administrative Expenses, as set forth in the Bond indenture or fiscal agent agreement.

**“Residential Unit”** means an individual for-sale or for-rent residential dwelling unit within CFD No. 2006-2, including units that will be used as live/work condominiums.

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

**“Special Tax”** means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which is due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, (iv) to pay Administrative Expenses, and (v) to pay the costs of public improvements authorized to be financed by CFD No. 2006-2. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Bond indenture, Bond fiscal agent agreement, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds, all as determined by the Administrator.

**“Square Footage Deficit”** means, for any building within CFD No. 2006-2 in any Fiscal Year, the square footage calculated by subtracting the actual square footage of Taxable Area within the building from the Assigned Minimum Taxable Area for that building as shown in Attachment 1 of this RMA.

**“Storage Area”** means the square footage of any Parcels in CFD No. 2006-2 that are designated as, or if not so designated are used exclusively as, storage area or storage condominium.

**“Taxable Area”** means the following:

- For the buildings identified as 410-414 Jessie Street, 416-418-420 Jessie Street, and 424 Jessie Street, Taxable Area shall be the sum of the Living Area of all Residential Units and the Commercial Floor Area within the building.
- For the buildings identified as 54 Mint Street and 66-90 Mint Street, Taxable Area shall be the sum of (i) the Living Area, (ii) the Commercial Floor Area, (iii) the Storage Area, and (iv) the Parking Area, if any.

**“Taxable Property”** means all of Assessor’s Parcels within the boundaries of CFD No. 2006-2 which are not exempt from the Special Tax pursuant to law or Section G below.

**“Taxable Public Property”** means, in any Fiscal Year, an Assessor’s Parcel of Public Property that had been taxed in any prior Fiscal Year as Living Area, Commercial Floor Area, Parking Area, or Storage Area, but is subsequently acquired by a public agency.

**B. DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for Taxable Property within CFD No. 2006-2. The Administrator shall also determine the square footage of Taxable Area for each building by reference to the site plan, condominium plan, building plan, building permit(s), or other documents that indicate the current floor area within the building, (ii) compare the Taxable Area to the Assigned Minimum Taxable Area, and (iii) determine whether there is a Square Footage Deficit within any building.

If individual Assessor’s Parcel have not been created or individual Assessor’s Parcel numbers have not been assigned for individual lots expected within a building, the Administrator shall reference the site permit or building plan to identify the total combined Taxable Area expected within the building, and this total square footage shall be used to calculate the Maximum Special Tax that will be assigned to the underlying land Parcel(s) pursuant to Section C below.

**C. MAXIMUM SPECIAL TAX**

Table 1 below identifies the Maximum Special Tax for Taxable Property within CFD No. 2006-2 for Fiscal Year 2006-07.

**TABLE 1**  
**FISCAL YEAR 2006-07 \***  
**MAXIMUM SPECIAL TAXES**

<b>Property Address</b>	<b>Fiscal Year 2006-07 Assessor Block Number(s) **</b>	<b>Maximum Special Tax Fiscal Year 2006-07 *</b>
410 Jessie Street	3704-079 through 3704-112	\$1.75 per square foot of Taxable Area
418-420 Jessie Street	3704-006	\$1.75 per square foot of Taxable Area
424 Jessie Street	3704-009	\$1.75 per square foot of Taxable Area
54 Mint Street	3704-034	\$1.00 per square foot of Taxable Area
66-90 Mint Street	3704-012	\$1.00 per square foot of Taxable Area

*\* On July 1, 2007 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.*

*\*\* The Maximum Special Taxes shown above shall continue to apply to all Taxable Area within the buildings regardless of change in Assessor's block or lot numbers or changes in Parcel configuration.*

**D. MAINTAINING REQUIRED COVERAGE**

*1. Square Footage Deficit that Compromises Required Coverage*

If, for any reason in any Fiscal Year, the Administrator determines that (i) there is a Square Footage Deficit within any building, and (ii) because of the Square Footage Deficit, revenue generated from levying the Maximum Special Tax within the CFD is not sufficient to maintain Required Coverage, then the Administrator shall apply the applicable section below:

*a. **Prior to the First Close of Escrow for a Residential Unit Within the Building***

Prior to the close of escrow for the first Residential Unit sold within the building, the Maximum Special Tax per square foot of Taxable Area within the building can be adjusted to account for the Square Footage Deficit by application of the following steps. Alternatively, if the building owner prefers to make a prepayment to avoid an increase in the Maximum Special Tax, the steps provided in Section D.1.b. below can be applied.

**Step 1.** Calculate the Maximum Special Tax revenue that was expected to be available from the building at CFD Formation by multiplying the

Maximum Special Tax per square foot of Taxable Area by the Assigned Minimum Taxable Area for the building.

**Step 2.** Determine the actual square footage of Taxable Area within the building.

**Step 3.** Divide the amount calculated in Step 1 by the square footage in Step 2 to determine the new Maximum Special Tax per square foot of Taxable Area for the building, which amount shall apply in all future Fiscal Years and shall escalate each Fiscal Year after such calculation by two percent (2%) of the amount in effect in the prior Fiscal Year.

**b. *After Escrow Has Closed on One or More Residential Units Within the Building***

After close of escrow on one or more Residential Units within the building, the Administrator shall apply the following steps:

**Step 1.** Calculate the amount by which the Special Tax revenue would need to be increased to maintain Required Coverage.

**Step 2.** Using the amount determined in Step 1 as the Parcel's Maximum Special Tax to be prepaid, and applying the prepayment formula set forth in Section H below, calculate the prepayment amount required to maintain the Required Coverage based on the Special Tax revenues that will be available after taking into account the Square Footage Deficit.

**Step 3.** The Authority shall notify the owner of the portion of the building not yet subject to closed escrows of the prepayment amount determined in Step 2 and request such payment within 30 days of the notification. If not received, the prepayment amount shall be billed as a one-time Special Tax against one or more Parcels within the building that are owned by the primary building owner. The prepayment amount shall be subject to the same foreclosure procedures as the annual Special Taxes levied pursuant to this RMA.

**2. *Changes in Land Use, Parcel Configuration, or Unit Size***

Once a Special Tax has been levied against a Parcel, the Maximum Special Tax assigned to such Parcel shall never be reduced regardless of changes in land use, parcel configuration, unit size, or other factors affecting the Residential Unit, Commercial Floor Area, Parking Area or Storage Area on the Parcel.

**E. METHOD OF LEVY OF THE SPECIAL TAX**

Each following Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year and shall levy a Special Tax according to the following steps until the amount of the levy is equal to the Special Tax Requirement:

**Step 1.** The Special Tax shall be levied proportionately on each Parcel of Taxable Property, except Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year determined pursuant to Section C.

**Step 2.** If additional revenue is needed after Step 1, the Special Tax shall be levied on each Parcel of Taxable Public Property up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year determined pursuant to Section C.

**F. MANNER OF COLLECTION OF SPECIAL TAX**

The Special Tax for CFD No. 2006-2 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the Authority may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Tax proceeds have been completed. However, in no event shall a Special Tax be levied after Fiscal Year 2046-47. Pursuant to Section 53321 (d) of the Act, the Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

**G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Parcels of Public Property except as otherwise provided in the Act, unless such property is Taxable Public Property. In addition, no Special Tax shall be levied on Parking Area or Storage Area in the buildings identified as 410-414 Jessie Street, 416-418-420 Jessie Street, or 424 Jessie Street unless the addition of Parking Area or Storage Area after CFD Formation causes a Square Footage Deficit, at which time the Administrator may levy a Special Tax as needed on some or all of the Parking Area or Storage Area within the building.

## **H. PREPAYMENT OF SPECIAL TAX**

The following definitions apply to this Section H:

**“Construction Fund”** means an account specifically identified in the Indenture to hold funds which are available to acquire or construct facilities authorized to be funded by CFD No. 2006-2.

**“Future Facilities Cost”** means the Public Facilities Requirement (as defined below) minus public facility costs funded by Previously Issued Bonds (as defined below), interest earnings on the construction fund actually earned prior to the date of prepayment, Special Taxes, developer equity, and/or any other source of funding.

**“Indenture”** means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**“Outstanding Bonds”** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding, that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of **“Outstanding Bonds”** for purposes of the prepayment formula.

**“Previously Issued Bonds”** means all Bonds that have been issued for the CFD prior to the date of prepayment.

**“Public Facilities Requirement”** means \$2,900,000 at CFD Formation, which amount shall be adjusted each time property annexes into the CFD; at no time shall the added Public Facilities Requirement for the annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

The Special Tax obligation applicable to an Assessor’s Parcel in the CFD may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the Authority with written notice of intent to prepay. Within 30 days of receipt of such written notice, the Administrator shall notify such owner of the prepayment amount for such Assessor’s Parcel. Prepayment must be made not less than 75 days prior to any interest payment date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount	
plus:	Future Facilities Amount
plus:	Redemption Premium
plus:	Defeasance Requirement
plus:	Administrative Fees and Expenses
<u>minus:</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Determine the Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the Authority. If this Section H is being applied to calculate a prepayment pursuant to Section D.1.b. above, use the amount determined in Step 1 of Section D.1.b. for purposes of this Step 1.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the total Maximum Special Tax revenues that could be collected in that Fiscal Year from property in the CFD.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "***Bond Redemption Amount***").
- Step 4.** Compute the current Future Facilities Costs.
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Future Facilities Costs to be prepaid (the "***Future Facilities Amount***").
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "***Redemption Premium***").
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds
- Step 8.** Compute the amount of interest the Authority reasonably expects to derive from the reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding

Bonds.

- Step 9.** Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the “*Defeasance Requirement*”).
- Step 10.** Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “*Administrative Fees and Expenses*”).
- Step 11.** If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction, if any, in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).
- Step 13.** The amounts computed pursuant to Steps 3, 6, and 9, less the amount computed pursuant to Step 11, shall be deposited in the appropriate fund established under the Indenture and used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited in the Construction Fund, and the amount determined in Step 10 shall be deposited in the fund established to pay Administrative Expenses.

With respect to any Parcel that prepays its Special Tax obligation, the Administrator shall cause a notice to be recorded in compliance with the Act to release the Special Tax lien on such Parcel, and the obligation of such Parcel to pay the Special Tax shall cease.

## **I. INTERPRETATION OF SPECIAL TAX FORMULA**

The Authority reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the Authority’s discretion. Interpretations may be made by the Authority by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

**Attachment 1**

**ABAG Finance Authority for Nonprofit Corporations  
Community Facilities District No. 2006-2  
(San Francisco Mint Plaza Area)**

**Assigned Minimum Taxable Area**

<b>Property Address</b>	<b>Fiscal Year 2006-07 Assessor Block Number(s)</b>	<b>Assigned Minimum Taxable Area</b>
410-414 Jessie Street	3704-079 through 3704-112	54,409 Square Feet
416-418-420 Jessie Street	3704-006	29,555 Square Feet
424 Jessie Street	3704-113 through 118	11,116 Square Feet
54 Mint Street	3704-034	15,698 Square Feet
66-90 Mint Street	3704-012	9,975 Square Feet

## **APPENDIX D**

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### ***Boundary Map of Community Facilities District No. 2006-2***

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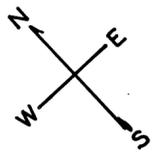
## **APPENDIX E**

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*Assessor's Parcel Maps for  
Fiscal Year 2016-17*

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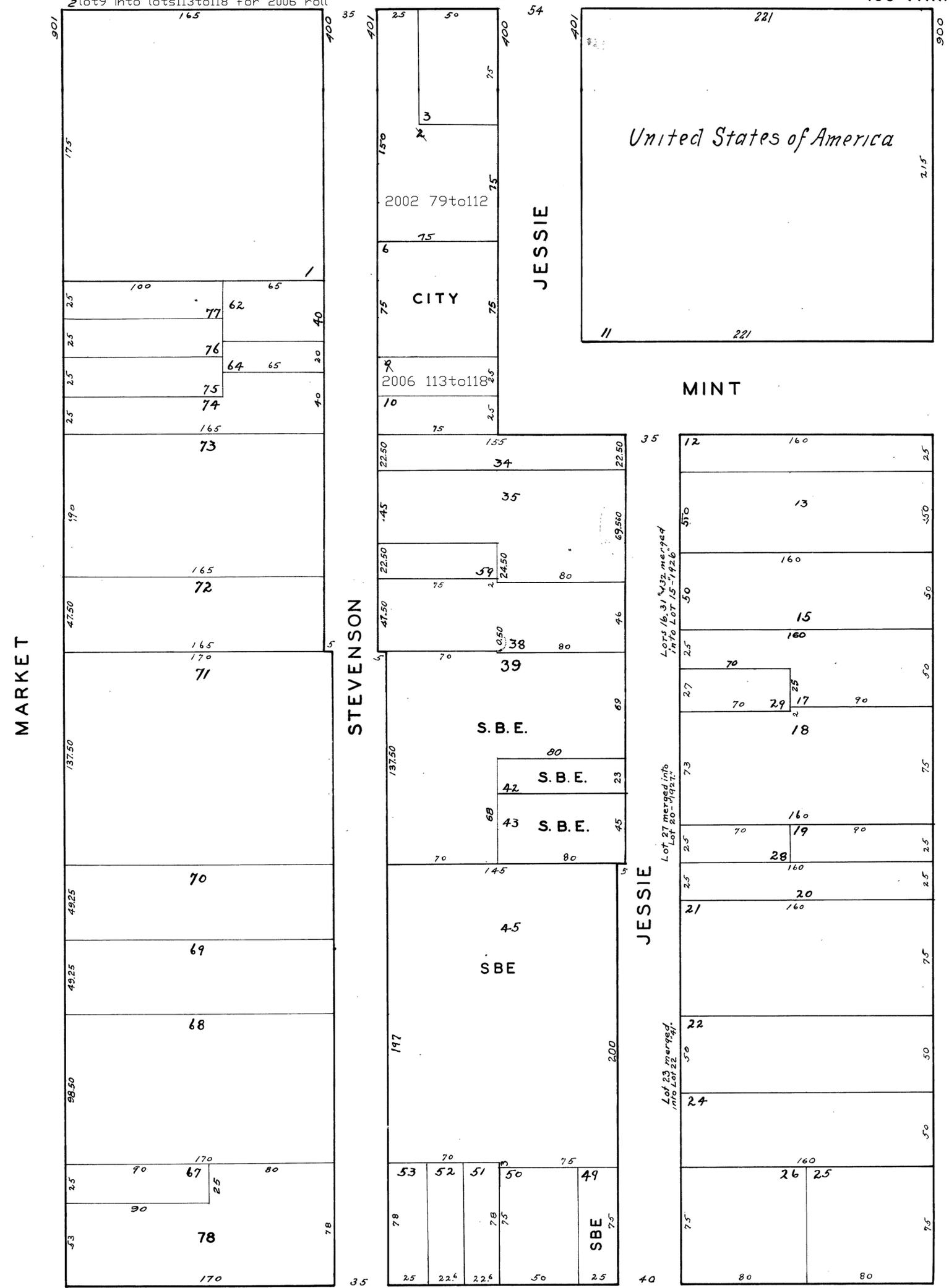
**LOTS MERGED**  
 Lots 4-5 merged into Lot 2  
 14-33 merged into Lot 3  
 34-37-60-61 merged into Lot 4  
 44 merged into Lot 5  
 46-47-48-54-55 merged into Lot 6  
 56-57 merged into Lot 7  
 40-41-58 merged into Lot 8  
 30 merged into Lot 9  
 748 merged into Lot 10  
 lot 2 into lots 79 to 112 for 2002 roll  
 lot 9 into lots 113 to 118 for 2006 roll



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3704  
 100 VARA BLK.380

REVISED '57  
 Revised 2002  
 Revised 2006



424 JESSIE ST.  
 A CONDOMINIUM

LOT	UNIT	% COMM.	AREA
113	1	14	
114	2	14	
115	3	14	
116	4	14	
117	5	14	
118	6	30	

6TH