



Community Facilities District

No. 1989-1

Annual Special Tax Report

Fiscal Year Ending June 30, 2022

Manteca Unified School District

2022 / 2023



A division of California Financial Services

District Administration

Clark Burke, Ed.D., Superintendent
Victoria Brunn, Chief Business and Information Officer
Manteca Unified School District
2271 West Louise Avenue,
Manteca, CA 95337
T. (209) 825-3200

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 400
Los Angeles, CA 90071
T. (213) 630-6270

Special Tax Administrator

KeyAnalytics, a Division of C. Financial Services, Inc.
555 Corporate Drive, Suite 100
Ladera Ranch, CA 92694
T. (949) 282-1077

Special Assessment Questions
T. (877) 575-0265
propertytax@calschools.com

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Introduction

Community Facilities District No. 1989-1 (“CFD No. 1989-1”) of the Manteca Unified School District (the “School District”) was formed pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”). CFD No. 1989-1 is authorized under the Act to finance certain school facilities (the “Authorized Facilities”) as established at the time of formation.

This Report summarizes certain general and administrative information and analyzes the financial obligations of CFD No. 1989-1 for the purpose of establishing the Special Tax Levy for Fiscal Year 2022/2023. The Annual Special Tax Levy is calculated pursuant to the Rate and Method of Apportionment of Special Tax (“RMA”) which is attached to this Report as Exhibit A.

All capitalized terms not defined herein are used and defined in the RMA and/or the various Bond Indentures (as defined herein).

This Report is organized into the following Sections:

Section I – CFD Background

Section I provides background information relating to the long-term obligations issued by the School District to finance the Authorized Facilities and the related obligations of CFD No. 1989-1.

Section II – Fiscal Year 2021/2022 Special Tax Levy

Section II provides information regarding the levy and collection of Special Tax for Fiscal Year 2021/2022 and an accounting of the remaining collections.

Section III – Fund and Account Balances

Section III examines the financial activity within the funds and accounts associated with CFD No. 1989-1.

Section IV – Annual Special Tax Requirement

Section IV calculates the Annual Special Tax Requirement based on the obligations of CFD No. 1989-1 for Fiscal Year 2022/2023.

Section V – Special Tax Classification

Section V provides updated information regarding the Special Tax classification of parcels within CFD No. 1989-1.

Section VI – Fiscal Year 2022/2023 Special Tax Levy

Section VI provides the Fiscal Year 2022/2023 Special Tax levy based on updated Special Tax classifications and the Annual Special Tax Requirement.

I. CFD Background

This Section provides background information regarding the formation of CFD No. 1989-1 and the bonds issued to fund the Authorized Facilities.

A. Location

The property within CFD No. 1989-1 consists of approximately 1,397 acres of land located in the southwest section of the City of Stockton, known as “Weston Ranch”. CFD No. 1989-1 is located south of French Camp Slough, west of Mantney Road and U.S. Interstate Highway 5, between the Downing Road and French Camp Road interchanges, east of the San Joaquin River and partially bordered on the south by Wolfe Road.

B. Formation

CFD No. 1989-1 was formed and established by the School District under the Act, following a public hearing conducted by the Board of Trustees of the School District (the “Board”), as legislative body of CFD No. 1989-1, and a landowner election, held on January 24, 1989, at which the qualified electors of CFD No. 1989-1 authorized CFD No. 1989-1 to incur bonded indebtedness to fund School Facilities in an amount not to exceed \$30,000,000 and approved the levy of Annual Special Taxes.

C. Summary of Authorized Debt

A summary of the bonds and certificates issued by CFD No. 1989-1 and the School District are outlined in the table below. A debt service schedule of the outstanding debt is included as Exhibit B.

Special Tax Bonds and Certificates of Participation of the School District

Series	Date of Issuance	Amount Issued	Description of Authorized Facilities
Series 1994 Special Tax Bonds	March 8, 1994	\$1,500,000.00	Improvements for the stadium at East Union High School
Series 1998 Special Tax Bonds	July 8, 1998	\$6,250,000.00	Construction of Great Valley Elementary School
Series 1999 Special Tax Bonds	June 24, 1999	\$4,000,000.00	Planning and Construction of Komure Elementary School and Acquisition of the Weston Ranch High School Site
Series 2001 Special Tax Bonds	November 8, 2001	\$14,995,866.45	Construction Funds for Komure Elementary School and Weston Ranch High School
Series 2004 Special Tax Bonds	January 14, 2004	\$15,090,000.00 (of which \$3,254,133.55 is "new money")	Construction Funds for Great Valley Annex Elementary School and Weston Ranch High School Refund the Outstanding Series 1994, 1998 and 1999 Special Tax Bonds.
2004 Certificates of Participation	September 28, 2004	\$10,845,146.85	Weston Ranch High School Phase 3, Great Valley Annex Elementary School and joint use library

II. Fiscal Year 2021/2022 Special Tax Levy

Each Fiscal Year CFD No. 1989-1 levies and collects Special Taxes pursuant to the RMA in order to meet the obligation for that Fiscal Year. This Section provides a summary of the levy and collection of Special Taxes in Fiscal Year 2021/2022.

A. Special Tax Levy

The Special Tax levy for Fiscal Year 2021/2022 is summarized by the Special Tax classification in the table below.

Fiscal Year 2021/2022 Special Tax Levy

Tax Rate Category	Taxable Units	Maximum Special Tax Rate	Total Maximum Special Tax	Actual Special Tax Rate	Actual Special Tax
Single Family	5,321 Units	\$772.52 per Unit	\$4,110,604.60	\$513.92 per Unit	\$2,734,568.32
Multi-Family	0 Units	\$355.36 per Unit	\$0.00	\$236.40 per Unit	\$0.00
Commercial/Industrial	0 BSF	\$0.00 per BSF	\$0.00	\$0.00 per BSF	\$0.00
Total ^[1]	5,321 Units	NA	\$4,110,604.60	NA	\$2,734,568.32

[1] Totals may not sum due to rounding.

B. Special Tax Collections and Delinquencies

Delinquent Special Taxes for CFD No. 1989-1, as of June 30, 2022, for Fiscal Year 2021/2022 and prior Fiscal Years are summarized in the following table. Based on the Foreclosure Covenant outlined in the Indenture and the current delinquency rates, no parcel exceeds the foreclosure threshold. Additionally, all Special Taxes are enrolled within the County of San Joaquin's Teeter Plan which distributes all delinquent taxes at the end of the Fiscal Year. A detailed listing of the Fiscal Year 2021/2022 Delinquent Special Taxes, based on the Fiscal Year collections, is provided as Exhibit C.

CFD No. 1989-1 Special Tax Collections and Delinquencies

Fiscal Year	Special Tax Levy	Special Tax Collections ^[1]	Amount Delinquent	Percent Delinquent
2012/2013	\$2,865,039.24	\$2,829,771.42	\$35,267.82	1.23%
2013/2014	2,959,540.20	2,930,617.80	28,922.40	0.98%
2014/2015	3,056,808.08	3,034,403.36	22,404.72	0.73%
2015/2016	3,157,162.14	3,139,955.28	17,206.86	0.55%
2016/2017	2,200,233.50	2,165,913.00	34,320.50	1.56%
2017/2018	2,487,993.18	2,475,368.52	12,624.66	0.51%
2018/2019	2,581,536.36	2,549,515.80	32,020.56	0.54%
2019/2020	2,542,799.48	2,531,091.42	11,708.06	0.46%
2020/2021	2,637,087.60	2,625,193.20	11,894.40	0.45%
2022/2023	2,734,568.32	2,718,893.76	15,674.56	0.57%

[1] As of June 30, 2022

Source: San Joaquin County

III. Fund and Account Balances

Special Taxes are collected by the San Joaquin County Tax Collector as part of the regular property tax bills. Once received by the San Joaquin County Tax Collector the Special Taxes are transferred to the School District where they are deposited into Fund 77 at the School District. Special Taxes are periodically transferred to make the Debt Service payments on the Series 2001 Special Tax Bonds and the 2004 Special Tax Bonds (collectively, the “Bonds”); the Lease Payments on the 2004 Certificates of Participation (“Certificates”); and pay all other authorized costs. This Section summarizes the current balances of the funds and accounts associated with CFD No. 1989-1.

A. School District Fund

The balance, as of June 30, 2022, of the Special Taxes being held by the School District (Fund 77:9110) is \$532,620.84.

B. Trustee Accounts

Funds and Accounts associated with the Bonds and Certificates are currently being held by the Bank of New York Mellon Trust Company, N.A. acting as the Fiscal Agent for the Bonds and Trustee for the Certificates. These Funds and Accounts were established pursuant to the respective Bond Indentures/Trust Agreement executed in association with the Bonds and Certificates.

The balances, as of June 30, 2022, of the major funds, accounts and sub-accounts being held by the respective Trustee are listed in the following table.

Fund and Account Balances as of June 30, 2022

Account Name	Balance
2001 Special Tax Bonds	
Special Tax Fund	\$2,688,478.85
Construction Account	0.00
Redemption Account ^[1]	4.60
Reserve Fund ^[2]	2.00
2004 Special Tax Bonds	
Escrow Fund	\$0.00
Redemption Fund	0.00
Reserve Fund ^[2]	1.00
Total	\$2,688,486.45

[1] Funds utilized for the September 1st debt service payment.

[2] Surety Bonds to satisfy the Reserve Requirement.

C. Source and Uses of Funds

The sources and uses of funds collected and expended by CFD No. 1989-1 are limited based on the restrictions as described within the Bond Indentures. The table below presents the sources and uses of all funds and accounts for CFD No. 1989-1 from July 1, 2021 through June 30, 2022. For a more detailed description of the sources and uses of funds please refer to the Indenture.

Fiscal Year 2021/2022 Sources and Uses of Funds

Sources	
Bond Proceeds	\$0.00
Annual Special Tax Receipts	2,720,232.97
Investment Earnings	3,181.05
Total	\$2,723,414.02
Uses	
Bond Interest Payments	(902,286.56)
Bond Principal Payments	(1,021,094.70)
Certificate Interest Payments	(393,424.20)
Certificate Principal Payments	(296,575.80)
Administrative Expenses	(12,354.20)
Transfer to another Trust ^[1]	(225.58)
Total	(\$2,625,961.04)

[1] Transfer to another Trust due to account closure.

IV. Annual Special Tax Requirement

This Section outlines the calculation of the Special Tax levy of CFD No. 1989-1 based on the financial obligations for Fiscal Year 2022/2023.

A. Annual Special Tax Requirement

The Special Taxes of CFD No. 1989-1 are calculated in accordance and pursuant to the RMA. Pursuant to the Indenture, any amounts not required to pay Administrative Expenses and Debt Service on the Bonds/Certificates may be used to purchase/construct the Authorized Facilities of CFD No. 1989-1.

At the direction of the Board of Trustees, the Special Taxes levied in prior years are being used to reduce the Special Tax burden on property owners over a 7 year period beginning in Fiscal Year 2017/2018. The table on the next page shows the calculation of the Special Tax Requirement for Fiscal Year 2022/2023.

Annual Special Tax Requirement for CFD No. 1989-1

Fiscal Year 2021/2022 Remaining Sources		\$3,221,513.04
Balance of Special Tax Fund	\$2,688,478.85	
Balance of 2001 STB Redemption Fund	4.60	
Balance of 2004 STB Redemption Fund	0.00	
Balance of 2004 COP Redemption Fund	4.44	
Balance of 2004 COP Principal Fund	404.31	
Balance of Fund 77:9110	532,620.84	
Fiscal Year 2021/2022 Remaining Obligations		(\$2,677,290.63)
<i>2004 Certificates of Participation</i>		
September 15, 2022 Interest Payment	(\$424,189.50)	
September 15, 2022 Principal Payment	(285,810.50)	
<i>Series 2001, Special Tax Bonds</i>		
September 1, 2022 Interest Payment	(867,092.30)	
September 1, 2022 Principal Payment	(417,907.70)	
<i>Series 2004, Special Tax Bonds</i>		
September 1, 2022 Interest Payment	(47,290.63)	
September 1, 2022 Principal Payment	(635,000.00)	
Fiscal Year 2021/2022 Surplus (Reserve Fund Draw)		\$544,222.41
Fiscal Year 2022/2023 Obligations		(\$3,458,427.69)
<i>2004 Certificates of Participation</i>		
March 15, 2023 Interest Payment	(\$0.00)	
September 15, 2023 Interest Payment	(460,983.00)	
September 15, 2023 Principal Payment	(279,017.00)	
<i>Series 2001, Special Tax Bonds</i>		
March 1, 2023 Interest Payment	(0.00)	
September 1, 2023 Interest Payment	(932,313.65)	
September 1, 2023 Principal Payment	(412,686.35)	
<i>Series 2004, Special Tax Bonds</i>		
March 1, 2023 Interest Payment	(32,606.25)	
September 1, 2023 Interest Payment	(32,606.25)	
September 1, 2023 Principal Payment	(675,000.00)	
Administrative Expense Budget ^[2]	(10,000.00)	
Anticipated Special Tax Delinquencies ^[3]	(0.00)	
Special Taxes for Future Special Tax Reductions ^[4]	(623,215.19)	
Fiscal Year 2022/2023 Annual Special Tax Requirement		\$2,914,205.28

[1] At the direction of the Board of Trustees, the Special Taxes levied in prior years are being used to reduce the Special Tax burden on property owners over a 7 year period beginning in Fiscal Year 2017/2018. To facilitate this reduction \$2.5 million in principal was called on the Series 2004 Special Tax Bonds on September 1, 2018.

[2] Additional detail on the next page.

[3] Participating in the Teeter Plan.

[4] Special Taxes are being retained to reduce the impact of future tax increases after the expiration of the 7-year special tax reduction plan in Fiscal Year 2023/2024.

B. Administrative Expense Budget

Each year a portion of the Special Tax Levy is used to pay a portion of the administrative expenses incurred by the School District to levy the Special Tax and administer the debt issued to finance Authorized Facilities. The estimated Fiscal Year 2022/2023 Administrative Expenses are shown in the table below.

Fiscal Year 2022/2023 Budgeted Administrative Expenses

Administrative Expense	Budget
District Staff and Expenses	\$0.00
Consultant Expenses	0.00
County Tax Collection Fees ^[1]	10,000.00
Contingency for Legal	0.00
Total Expenses	\$10,000.00

[1] Actual County Fees are \$15,963.00.

V. Development

Each Fiscal Year, parcels within CFD No. 1989-1 are assigned a Special Tax Classification based on the parameters outlined in the RMA. This Section outlines how parcels are classified and the number of taxable units within CFD No. 1989-1.

A. Final Land Use

Pursuant to the RMA, a parcel is considered to be classified as Developed Property once a Building Permit is issued prior to June 1 of the prior Fiscal Year. The table below summarizes the number of parcels with Building Permits issued and the fiscal year those parcels were initially classified as Developed Property.

**Summary of Parcels Classified as Final Land Use
Fiscal Year 2022/2023**

Initial Tax Year	Classification	Number of Units
1990/1991	Single Family Residence	162
1991/1992	Single Family Residence	294
1992/1993	Single Family Residence	33
1993/1994	Single Family Residence	46
1994/1995	Single Family Residence	290
1995/1996	Single Family Residence	224
1996/1997	Single Family Residence	167
1997/1998	Single Family Residence	308
1998/1999	Single Family Residence	334
1999/2000	Single Family Residence	420
2000/2001	Single Family Residence	378
2001/2002	Single Family Residence	787
2002/2003	Single Family Residence	614
2003/2004	Single Family Residence	979
2004/2005	Single Family Residence	115
2005/2006	Single Family Residence	170
Total		5,321

As of June 1, 2022, Building Permits have been issued on 5,321 parcels zoned by the County of San Joaquin as residential property. The table below summarizes the Special Tax classification within CFD No. 1989-1 for the prior Fiscal Year and Fiscal Year 2022/2023.

New Development within CFD No. 1989-1

Land Use Class	Unit Type	Fiscal Year 2021/2022 Number of Units/BSF	Fiscal Year 2022/2023 Number of Units/BSF
1	Single Family Residential	5,321 Units	5,321 Units
2	Multi-Family Residential	0 Units	0 Units
3	Commercial/ Industrial	0 BSF	0 BSF
Total Developed Property		5,321 Units	5,321 Units

VI. Fiscal Year 2022/2023 Special Tax Levy

Each Fiscal Year, the Special Tax is levied up to the maximum rate, as determined by the provisions of the RMA, in the amount needed to satisfy the Annual Special Tax Requirement.

Based on the Annual Special Tax Requirement listed in Section IV, CFD No. 1989-1 will levy 68.65% of the maximum Special Tax allowable on each Veteran parcel classified with a Final Land Use.

A summary of the Special Tax levy for Fiscal Year 2022/2023 by Property Category as determined by the RMA for CFD No. 1989-1 can be found in the table below.

Fiscal Year 2022/2023 Special Tax Levy

Tax Rate Category	Taxable Units	Maximum Special Tax Rate	Total Maximum Special Tax	Actual Special Tax Rate	Actual Special Tax
Single Family	5,321 Units	\$795.70 per Unit	\$4,233,922.74	\$547.68 per Unit	\$2,914,205.28
Multi-Family	0 Units	\$366.02 per Unit	\$0.00	\$251.92 per Unit	\$0.00
Commercial/Industrial	0 BSF	\$0.00 per BSF	\$0.00	\$0.00 per BSF	\$0.00
Total ^[1]	5,321 Units	NA	\$4,233,922.74	NA	\$2,914,205.28

[1] Totals may not sum due to rounding.

https://calschools.sharepoint.com/cfs/unregulated/manteca/development/1/2021/mantecausd_cfd89-1_fy20202021specialtaxreport_d1.docx

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Exhibit A

Rate and Method of Apportionment of Special Tax

APPENDIX B

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

1. Basis of Special Tax Levy

The annual special tax shall be levied on each separate parcel within Community Facilities District No. 1989-1 (Weston Ranch), Manteca Unified School District, San Joaquin County, California ("CFD 1989-1") as shown on the San Joaquin County Assessor's records, subject to the maximum rate specified below, as established by the Board of Education ("Board") of the Manteca Unified School District ("District").

2. Determination of Parcels Subject to Special Tax

The records of the County Assessor of San Joaquin County shall be used to determine the parcels subject to the special tax. The basis for determining the parcels will be the Secured Property Tax Roll. The land use code contained in the Secured Property Tax Roll will be the basis for assigning the appropriate tax rate to each parcel. If no such code has been assigned on the Secured Property Tax Roll or the code is incorrect, the District will assign the appropriate code based on its review of the status of the property.

All special taxes shall be based on parcels established in the County Assessor's records as of March 1 of each year and all land use categories shall be based on the land uses approved by the City of Stockton or any successor jurisdiction as of June 1 of each year.

Using the records of the County Assessor, the District shall prepare a list of the parcels subject to the tax. The District shall establish the parcels subject to the tax using the procedure described below.

- 1) Exclude all parcels which, as of the formation of CFD 1989-1, were owned by federal, state, and local governments and public agencies and utilities and are used for public purpose; or which, as of the formation of CFD 1989-1, supported publicly-owned and non-profit hospitals, cemeteries, or buildings used exclusively for religious worship, provided that leasehold/possessory interests shall be taxed.
- 2) Exclude all parcels zoned for agriculture with no residential improvements based upon County Assessor's land use codes and District review of the status of the parcel.

- 3) From the parcels remaining identify the following groups of parcels based upon assessor's land use codes and the District's review of building permits issued:
- Developed Single family residential units
 - Developed Multi-family units
 - Commercial/Industrial development

Parcels are classified as developed when a building permit is issued for construction of any residential or commercial/industrial use on a given parcel. Once classified as developed, no parcel shall be removed from the developed classification.

The District shall make every effort to correctly determine the parcels subject to the tax.

3. Maximum Annual Special Tax

The maximum annual tax on residential parcels shall not exceed the rates per dwelling unit in the base year (FY 1989/90) shown in Figure C-1 as adjusted by a 3% annual escalation factor after the base year. Figure C-2 shows the maximum annual special tax per dwelling unit for both residential land use categories through the year 2020 after adjustment for the escalation factor. The maximum annual tax rate will continue to increase at 3% per year until the District's debt service obligations are satisfied and all authorized facilities are constructed.

If for any reason, by operation of law, the fees described in Government Code Sections 53080 and 65995 to be collected from residential development within CFD 1989-1 are made unavailable to the District, the maximum annual special tax per dwelling unit applicable to any unit for which these fees are not paid shall be increased by adding \$275.40 to the base year maximum tax applicable to single family units and \$127.50 to the base year maximum tax applicable to multi-family units and inflating these amounts by the 3% annual escalation factor. If the fees referred to are merely reduced, the increase in the maximum special tax rates shall be a percentage of the figure just stated based on the percentage of reduction of the fees.

If for any reason, by operation of law, the fees described in Government Code Sections 53080 and 65995 to be collected from commercial/industrial development within CFD 1989-1 are made unavailable to the District, any parcel with commercial or industrial development for which these fees are not paid shall be liable for a special tax. The maximum annual special tax applicable to commercial/industrial parcels in the base year (FY 1989/90) is \$0.03 per square foot of covered or enclosed space, and this maximum annual special tax rate shall be inflated by the 3% annual escalation factor. If the fees referred to are merely reduced, the special tax rates imposed on commercial/industrial parcels shall be a percentage of the figure just stated based on the percentage of reduction of the fees.

Figure C-1

Proposed Initial Year Special Tax Rates
Fiscal Year 1989/90 Base Year

Manteca Unified School District
Mello-Roos Community Facilities District - CFD 1989-1

Land Use Type	Maximum Special Tax (1)
Single Family Residential	\$300.00 (2) per dwelling unit
Multi-Family Residential	\$138.00 (2) per dwelling unit
Commercial/Industrial	\$0.00 (3) per square foot

- Notes: (1) Maximum Annual Tax shall be inflated 3% per year over the Fiscal Year 1989/90 base year.
- (2) Does not include additional tax if the fees described in Government Code Sections 65995 and 53080 to be collected on residential development within CFD 1989-1 are made unavailable to the District. If these taxes are necessary, the base year maximum tax applicable to single family parcels shall be increased by \$275.40 per dwelling unit and the base year maximum tax applicable to multi-family parcels shall be increased by \$127.50 per dwelling unit.
- (3) Commercial/Industrial parcels within CFD 1989-1 are expected to contribute to school construction funding requirements through development fees authorized by Government Code Sections 65995 and 53080. If, however, these fees are made unavailable to the District, developed commercial/Industrial parcels which have not paid these fees will be liable for a special tax. The base year maximum annual special tax will be \$0.03 per square foot of development.

Figure C-2

Proposed Maximum Annual Tax Rates- with 3% Escalation Rate

Manteca Unified School District
Mello-Roos Community Facilities District - CFD 1989-1

Fiscal Year Ending	Single Family	Multi- Family
	per dwelling unit	
1990	\$300.00	\$138.00
1991	309.00	142.14
1992	318.27	146.40
1993	327.82	150.80
1994	337.65	155.32
1995	347.78	159.98
1996	358.22	164.78
1997	368.96	169.72
1998	380.03	174.81
1999	391.43	180.06
2000	403.17	185.46
2001	415.27	191.02
2002	427.73	196.76
2003	440.56	202.66
2004	453.78	208.74
2005	467.39	215.00
2006	481.41	221.45
2007	495.85	228.09
2008	510.73	234.94
2009	526.05	241.98
2010	541.83	249.24
2011	558.09	256.72
2012	574.83	264.42
2013	592.08	272.35
2014	609.84	280.53
2015	628.13	288.94
2016	646.98	297.61
2017	666.39	306.54
2018	686.38	315.73
2019	706.97	325.21
2020	728.18	334.96

- Notes:
- (1) Annual Escalation Rate = 3%
 - (2) All residential parcels are taxed for each dwelling unit.
 - (3) Additional tax on residential and commercial/industrial parcels if the fees described in Government Code Sections 65995 and 53080 to be collected within CFD 1989-1 are made unavailable to the District will also increase by 3% per year.
 - (4) Maximum tax rate will continue to escalate until all debt service obligations have been satisfied and all authorized facilities constructed.

Source: Economic and Planning Systems, Inc.

Prior to establishing the tax rates which will apply during the second fiscal year during which CFD 1989-1 is liable for debt service on the final series of bonds issued to finance the construction of authorized facilities within the CFD, the Board shall declare that the maximum number of years to date any parcel in CFD 1989-1 has paid the applicable maximum tax rate is thereafter defined as the "veteran period." If, after the twelfth year any parcel in CFD 1989-1 has paid the maximum tax, the length of the veteran period has not yet been established, then the veteran period shall be declared to be twelve years in length. In each year after the establishment of the length of the veteran period, all parcels which have paid the applicable maximum tax for a number of years equal to or greater than the veteran period will be declared veteran parcels. Veteran parcels may pay less than the applicable maximum annual special tax if the District determines it can satisfy the Annual Special Tax Requirement by levying less than the maximum annual tax.

4. Annual Tax Rate

The tax rate applicable to each parcel in CFD 1989-1 shall be established annually by the Board as follows:

- 1) Annually, at the time of levying the Special Tax for CFD 1989-1, the Board shall determine all amounts necessary to pay current scheduled debt service on all outstanding bonds including all scheduled mandatory sinking fund payments, to pay all annual and current expenses of administering CFD 1989-1 (the Board may specify an estimate for the annual expenses in each levy), to cure any delinquencies in the payment of principal or interest on the bonds which have occurred or (based on delinquencies in the payment of Special Taxes which have already taken place) will occur in the Fiscal Year in which the tax will be collected, to replenish the reserve account to the reserve requirement as necessary (including, in the replenishment, charges against the reserve account which will be necessary in the future because of delinquencies in the payment of Special Taxes which have already taken place), to pay for eligible pay-as-you-go expenditures, and to accumulate special tax proceeds for future debt service or directly for authorized projects. The total amount so determined shall be the "Special Tax Requirement."
- 2) The District shall then calculate the maximum special tax revenues available from non-veteran parcels by multiplying the applicable maximum annual special tax rate per dwelling unit or square foot of covered or enclosed space, including, if applicable, any additional tax required to replace the fees currently authorized by Government Code Sections 53080 and 65995, by the number of dwelling units or square feet of development on each non-veteran parcel.
- 3) The District shall then multiply fifty percent of the applicable maximum special tax rate per dwelling unit or square foot of covered or enclosed space, including,

if applicable, any additional tax required to replace the fees currently authorized by Government Code Sections 53080 and 65995, by the number of dwelling units or square feet of development on each veteran parcel.

- 4) If the total of the amounts calculated in Steps 2 and 3 is less than the Special Tax Requirement, the District shall increase the special tax rates per dwelling unit or square foot of covered or enclosed space for each land use type applicable to veteran parcels within CFD 1989-1 above the fifty percent level used in Step 3 by equal proportions of the maximum authorized tax rates, including, if applicable, any additional tax required to replace the fees currently authorized by Government Code Sections 53080 and 65995, until the tax on veteran properties produces sufficient revenue or until the maximum authorized tax rates are reached.

If the total of the amounts calculated in Steps 2 and 3 is greater than the Special Tax Requirement, the District shall reduce the special tax rates applicable to non-veteran parcels by equal proportions of the maximum authorized tax rates, including, if applicable, any additional tax required to replace the fees currently authorized by Government Code Sections 53080 and 65995, and shall decrease the special tax rates applicable to veteran parcels within CFD 1989-1 below the fifty percent level used in Step 3 by one-half of the reduction in the rates applicable to comparable non-veteran parcels until the special tax on veteran and non-veteran parcels produces only enough money to meet the Special Tax Requirement.

- 5) The District shall calculate the annual tax for each parcel in CFD 1989-1 by multiplying the applicable special tax rate times the number of dwelling units or the number of square feet of development on each parcel.
- 6) The District shall notify the appropriate county official of the annual special tax for each parcel.

The District shall make every effort to correctly assign the tax rate and calculate the annual tax liability for each parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the parcels subject to the tax and their special tax assignments.

**Manteca Unified School District
CFD No. 1989-1 (Weston Ranch)
Prepayment Provisions for
Permanently Satisfying the Special Tax Obligation**

Landowners may permanently satisfy the Special Tax obligation by a prepayment with the District as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The District determines that the prepayment of the Special Tax obligation does not jeopardize its ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner prepaying the Special Tax obligation must pay any and all delinquent special taxes and penalties prior to prepayment.
- A building permit must have already been obtained for the prepaying Parcel(s) or the landowner requesting prepayment must have made a cash settlement with the District concerning the school fees authorized under Government Code Sections 65995 and 53080. The amount of the cash settlement will be determined by the District based on the District's understanding of school fee obligations and the District's estimation of the unit size for the prepaying Parcel(s).

The prepayment amount shall be established by the following calculation:

- STEP 1: Determine the Maximum Annual Special Tax which, if no Prepayment was made, would apply to the Parcel during the following Fiscal Year, based on the assignment procedure described in SECTION 3 of the Rate & Method of Apportionment.
- STEP 2: At the District's discretion, the District may reduce the Maximum Annual Special Tax by the 10 percent delinquency coverage factor and increase the Maximum Annual Special Tax by a factor sufficient to cover the higher of (i) the average annual tax delinquency rate for property in the CFD over the previous five years, or (ii) the average annual tax delinquency rate for property in the District as a whole over the previous five years.
- STEP 3: Calculate the total annual revenue which would be produced by levying the Maximum Annual Special Tax, based on the Tax determined in STEP 2 and the 3% annual escalation factor, for the longer of the two following time periods:
- 1) 29 years from the date of prepayment, less the number of years the Special Tax had already been levied on the prepaying Parcel (if such levies had occurred); or
 - 2) from the date of the prepayment until the last maturity date of outstanding bonds.

- STEP 4: Calculate the present value of the annual revenue stream determined in STEP 3. The present value shall be calculated using that discount rate which, when the prepayment is invested in actually available approved investments (as specified by the resolution authorizing the issuance of bonds) earning a rate of interest equal to the discount rate, would produce annual revenues equal to the amounts calculated in STEP 3. The discount rate may not exceed the bond yield as determined by the Tax Reform Act of 1986, as may be amended.
- STEP 5: Determine the amount of a Prepayment by adding to the present value calculated in STEP 4 any fees, call premiums, or expenses which would be expected to be incurred by the District in connection with the calculation or application of the proceeds of a Prepayment.

Exhibit B

Debt Service Schedules

\$14,995,866.45

**Manteca Unified School District
Community Facilities District No. 1989-1
Series 2001 Special Tax Bonds**

Fiscal Year	Interest Payment	Principal Payment	Total Debt Service Payment
2022	\$867,092.30	\$417,907.70	\$1,285,000.00
2023	\$932,313.65	\$412,686.35	\$1,345,000.00
2024	\$1,005,541.45	\$409,458.55	\$1,415,000.00
2025	\$1,743,792.00	\$656,208.00	\$2,400,000.00
2026	\$1,833,505.70	\$636,494.30	\$2,470,000.00
2027	\$1,924,070.90	\$620,929.10	\$2,545,000.00
2028	\$2,018,851.50	\$602,364.60	\$2,621,216.10
2029	\$2,114,027.55	\$587,744.10	\$2,701,771.65
2030	\$2,209,968.60	\$573,123.60	\$2,783,092.20
2031	\$2,306,496.90	\$558,503.10	\$2,865,000.00

\$15,090,000.00

**Manteca Unified School District
Community Facilities District No. 1989-1
Series 2004 Special Tax Bonds ^[1]**

Fiscal Year	Interest Payment	Principal Payment	Total Debt Service Payment
2022	\$94,581.26	\$635,000.00	\$729,581.26
2023	\$65,212.50	\$675,000.00	\$740,212.50
2024	\$33,487.50	\$705,000.00	\$738,487.50

\$10,485,146.85
Manteca Unified School District
2004 Certificates of Participation

Fiscal Year	Interest Payment	Principal Payment	Total Debt Service Payment
2022	\$424,189.50	\$285,810.50	\$710,000.00
2023	\$460,983.00	\$279,017.00	\$740,000.00
2024	\$498,490.30	\$271,509.70	\$770,000.00
2025	\$761,301.25	\$373,698.75	\$1,135,000.00
2026	\$814,322.00	\$360,678.00	\$1,175,000.00
2027	\$869,835.60	\$350,164.40	\$1,220,000.00
2028	\$923,525.90	\$341,474.10	\$1,265,000.00
2029	\$973,086.30	\$331,913.70	\$1,305,000.00
2030	\$1,030,396.20	\$324,603.80	\$1,355,000.00
2031	\$1,087,287.35	\$317,712.65	\$1,405,000.00
2032	\$3,464,884.90	\$940,115.10	\$4,405,000.00
2033	\$3,629,682.45	\$915,317.55	\$4,545,000.00

Exhibit C

Delinquent Special Tax Report



Fixed Charge Special Assessment Delinquency Report

Year End Report for Fiscal Year 2021/2022

Manteca Unified School District Community Facilities District No. 1989-1



Summary

Year End

Total Taxes Due June 30, 2022	\$2,734,568.32
Amount Paid	\$2,718,893.76
Amount Remaining to be Collected	\$15,674.56
Number of Parcels Delinquent	37
Delinquency Rate	0.57%

Foreclosure

CFD Subject to Foreclosure Covenant:	Yes
Foreclosure Determination Date	August 30th

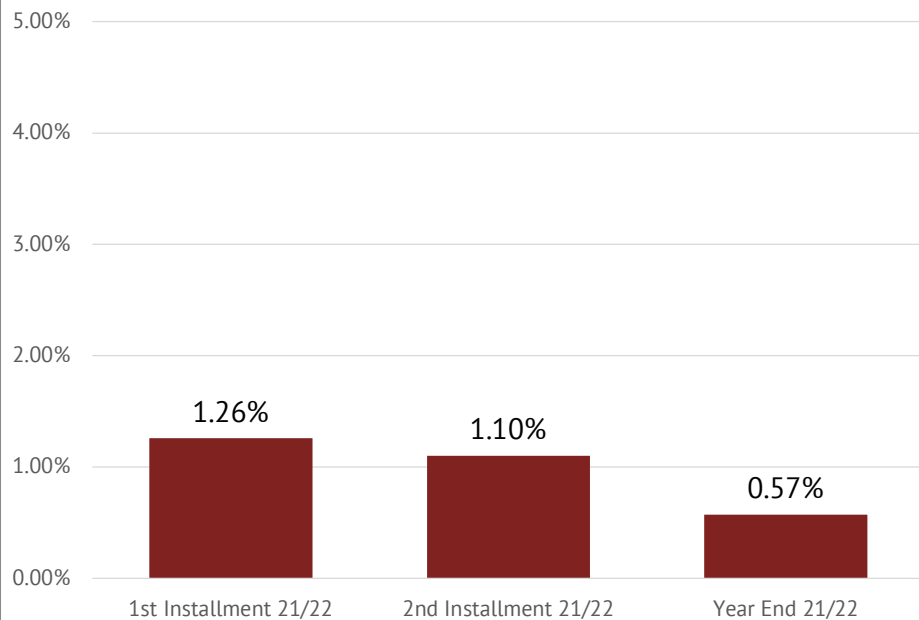
Foreclosure Qualification

Individual Parcel Delinquency	\$3,000
Individual Owner Multiple Parcels Delinquency	N/A
Individual Parcels Semi-Annual Installments	N/A
Aggregate Delinquency Rate	N/A

Parcels Qualifying for Foreclosure

Parcels Exceeding Individual Foreclosure Threshold	0
Parcels Exceeding CFD Aggregate	0

Year End Delinquency Rate Comparison





Fixed Charge Special Assessment Delinquency Report

Year End Report for Fiscal Year 2021/2022

Manteca Unified School District Community Facilities District No. 1989-1



Historical Delinquency Summary

Fiscal Year	Subject Fiscal Year					June 30, 2022	
	Aggregate Special Tax	Parcels Delinquent	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent ^[1]	Remaining Delinquency Rate
2016/2017	\$2,200,233.50	67	\$2,165,913.00	\$34,320.50	1.56%	\$1,654.00	0.08%
2017/2018	2,487,993.18	34	2,475,368.52	12,624.66	0.51%	935.16	0.04%
2018/2019	2,581,536.36	34	2,567,709.30	13,827.06	0.54%	1,455.48	0.06%
2019/2020	2,542,799.48	33	2,531,091.42	11,708.06	0.46%	2,867.28	0.11%
2020/2021	2,637,087.60	31	2,625,193.20	11,894.40	0.45%	6,195.00	0.23%
2021/2022	2,734,568.32	37	2,718,893.76	15,674.56	0.57%	15,674.56	0.57%

[1] San Joaquin County participates in the Teeter Plan, whereby the School District receives 100% of the Special Taxes levied irrespective of delinquencies and the County receives all delinquency interest and penalties.

Historical Delinquency Rate

