

Exhibit A

COUNTY OF SAN BENITO Local Goals and Policies For Community Facilities Districts July 24, 2018

A. General Policy Respecting Use of the Act.

As a matter of general policy, the County of San Benito ("County") will utilize the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") for purposes of (1) financing all or a prescribed portion of the estimated cost and expense of maintaining, operating and replacing facilities and services which serve a public purpose to the County and its inhabitants and (2) financing for all or a prescribed portion of the cost and expense of public capital improvements ("facilities") to be owned by the County and which serve a public purpose to the County and its inhabitants.

In general, it will be the policy of the County not to provide financing for facilities which are to be owned by another public agency or shareholder-owned utility, it being the policy of the County that provision of such facilities should be left to such other public agency or shareholder owned utility.

Development proposed within a CFD will be consistent with the County's general plan and will have received any required legislative approvals. A CFD will not vest any rights to future land use on any properties, including those which are responsible for paying special taxes.

The primary goal of the County Board of Supervisors in the use of the Act is to provide funding for the need for new services, operating and maintenance costs and capital facilities associated with new development in a manner that will reduce or, preferably, eliminate financial impact to current residents.

B. Priorities for Use of Act.

The County Board of Supervisors establishes the following priorities for use of the Act in the order set forth:

1. The cost and expense of providing eligible services, maintaining, operating and replacing any of the eligible facilities per this policy, including establishing a reasonable reserve fund.
2. Facilities needed to enable the County to extend a County service into an area irrespective of the scale of the area, consisting of property which is not presently receiving such service and the owners of which property submit a legally sufficient petition to the County requesting such service, which petition is accompanied by a deposit of funds to pay the County's preliminary expense as provided by subsection (d) of Section 53318 of the Act;
3. Facilities which provide a community-wide benefit for all inhabitants of the County; and,
4. Other facilities permitted by the Act.

C. Required Credit Quality.

The County adopts the requirements of Section 53345.8 of the Act as sufficient minimum standards for the credit quality of any bonds issued pursuant to the Act.

D. Disclosure to Property Purchasers.

The County Board of Supervisors finds that the statutory requirements of disclosure to property purchasers contained in the Act, most notably, but not limited to, Sections 53328.3, 53328.5 (including the referenced sections of the California Streets and Highways Code), 53340.2 and 53341.5 adequately address this need. However, the County may mandate additional disclosure and notices requirements for particular types of financings on a case-by-case basis. The County may prescribe specific forms to be used to disclose the existence and extent of obligations imposed by the CFD.

E. Requirements for Special Tax Formulas.

The proposed amount and apportionment of the special tax for each community facilities district ("CFD") shall comply with the following criteria:

1. The special tax formula shall be structured to produce sufficient annual special tax revenue to pay: (a) operating, maintenance and replacement costs, including establishment of a reasonable reserve for the eligible facilities (b) annual debt service on special tax bonds, if any have been issued, (c) reasonable annual administrative expenses of the County in the administration of the special taxes and the bonds, if any, of the CFD, and (d), in the event that any services or other "pay as you go" programs have been authorized to be funded by the CFD special tax, the estimated cost of such services or other "pay as you go" programs for the coming year.
2. The special tax formula may provide for a backup special tax to protect against unforeseen contingencies, including but not limited to unusual levels of delinquency in the payment of the special tax, but subject to the limitations of subsection (d) of Section 53321 of the Act pertaining to the 10 percent limitation on such backup special taxes on parcels used for private residential purposes.
3. The special tax formula may provide for an annual increase in the maximum special tax to pay for public facilities, subject to the 2 percent limitation on such annual increases specified by subsection (d) of Section 53321 of the Act pertaining to parcels used for private residential properties, and may provide for prepayment and discharge of that portion of the special tax obligation on any residential properties pertaining to debt service on special tax bonds, if any, as distinguished from that portion of the special tax obligation on such residential properties pertaining to services.
4. The special tax formula may be structured to provide for total estimated annual special tax revenues, less estimated annual administrative expenses, which shall exceed the projected annual gross debt service on outstanding special tax bonds, if any, by ten percent (10%).
5. The special tax formula shall allocate the annual special tax obligation to all categories and classes of taxable property within the CFD on the basis of reasonableness.

6. The special tax formula shall generally be structured to honor the limitation that, subject to the limitations on the ability of the County Board of Supervisors to anticipate future actions of other local agencies having jurisdiction to impose exactions on property within a CFD of the County, the total amount of the annual "tax burden" for residential property within the proposed CFD, including (a) the estimated general annual ad valorem property tax levied by the County of San Benito, (2) other direct and overlapping debt, if any, for taxable property within the proposed CFD (including anticipated benefit assessments, levies for authorized but unissued debt and any other anticipated municipal charges, if any, which in the normal course would be included on a property owner's annual property tax bill), and (3) the proposed maximum annual special tax to pay for public facilities of the CFD, shall not exceed two percent (2%) of the estimated market value for any single family home, condominium or town home within the proposed CFD.

F. Appraisal Standards.

The current Appraisal Standards for Land Secured Financings (the "Standards") published by the California Debt and Investment Advisory Commission, originally dated May 1994, are adopted as the statement of definitions, standards and assumptions to be used in appraisals of real property in the County for any purpose pertaining to a CFD established by the County.

G. Exceptions to These Policies

The County may find in limited and exceptional instances that a waiver or amendment to any of the above stated policies is reasonable given identified special benefits to be derived from such waiver. Such waivers only will be granted by action of the County Board of Supervisors.