

# REVISED RESOLUTION

Date: 10-27-20

Item No. 24

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE DECLARING ITS INTENTION TO ESTABLISH PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2015-2 (POMELO) OF THE CITY OF RIVERSIDE, TO AUTHORIZE THE LEVY OF SPECIAL TAXES TO PAY THE COSTS OF ACQUIRING OR CONSTRUCTING CERTAIN FACILITIES AND PROVIDING CERTAIN SERVICES AND TO PAY DEBT SERVICE ON BONDED INDEBTEDNESS

WHEREAS, the City Council (the “City Council”) of the City of Riverside (the “City”) has received a petition from the owners of certain real property within the City (the “Owners”) requesting that the City Council institute proceedings for the formation of a community facilities district, pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982,” to be known as Community Facilities District No. 2015-2 (Pomelo) of the City of Riverside (the “District” or “CFD No. 2015-2”) for the purpose of financing (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property described in Exhibit “B” hereto and incorporated herein by this reference, including all furnishings, equipment and supplies related thereto, which include certain facilities to be owned and operated by the City (the “Facilities”), which Facilities have a useful life of five years or longer, (2) the services described in Exhibit “C” hereto and incorporated herein by this reference (the “Services”), and (3) the incidental expenses to be incurred in connection with financing the Facilities and Services and forming and administering the District (the “Incidental Expenses”); and

WHEREAS, the Owners are the owners of all of the property which is proposed to be included within the boundaries of the District; and

WHEREAS, pursuant to Section 53320 of the California Government Code, having received such a petition, it is appropriate for the City Council to institute proceedings for the formation of the proposed District by the adoption of a resolution of intention pursuant to Section 53321 of said Code;

WHEREAS, the City Council further intends to approve an estimate of the costs of the Facilities, Services and the Incidental Expenses for the District; and

WHEREAS, it is the intention of the City Council to consider financing the Facilities, Services and the Incidental Expenses through the formation of the District and to finance the Facilities and Incidental Expenses through the issuance of bonded indebtedness in an amount not to exceed \$7,000,000 and the levy of a special tax to pay for the Facilities, Services and the Incidental Expenses (the “Special Tax”) and to pay debt service on the bonded indebtedness, provided that the bond sale and such Special Tax levy are approved at an election to be held within the boundaries of the District;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA, AS FOLLOWS:

**Section 1. Proposed Community Facilities District.** A community facilities district is proposed to be established under the provisions of Chapter 2.5 (commencing with Section 53311) of

Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982.” The name proposed for the community facilities district is “Community Facilities District No. 2015-2 (Pomelo) of the City of Riverside.”

**Section 2. Description and Map of Boundaries.** The boundaries of the proposed community facilities district are described and shown on the map entitled “Boundaries of Community Facilities District No. 2015-2 (Pomelo) of the City of Riverside,” which is on file with the City Clerk. Said map is approved and, pursuant to Section 3110 of the California Streets and Highways Code, the City Clerk shall, after conforming with the other requirements of Section 3111 of said Code, record the original of said map in her office, and not later than 15 days prior to the date of the public hearing set forth in Section 8 hereof shall file a copy of said map with the County Recorder of the County of Riverside.

**Section 3. Types of Facilities and Incidental Expenses.** The Facilities proposed to be financed by the District are public facilities as defined in the Act, which the City is authorized by law to construct, acquire, own and operate. The rate and method of apportionment and manner of collection of the Special Tax are described in detail in Exhibit “A” attached hereto, which is incorporated herein by this reference (the “Rate and Method”). The City Council hereby finds and determines that the description of the Facilities herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds of the District may be used to finance. Additionally, the City Council hereby finds that the Rate and Method allows each landowner within the District to estimate the maximum amount of the Special Tax that may be levied against each parcel.

The Incidental Expenses expected to be incurred include the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for the Facilities, the costs of forming the District, issuing bonds and levying and collecting the Special Tax within the proposed District, and any other expenses incidental to the construction, acquisition, modification, rehabilitation, completion and inspection of the Facilities. The Facilities may be acquired from one or more of the property owners within the District as completed public improvements or may be constructed from bond or Special Tax proceeds.

All or a portion of the Facilities may be purchased with District funds as completed public facilities pursuant to Section 53314.9 or as discrete portions or phases pursuant to Section 53313.51 of the Act and/or constructed with District funds pursuant to Section 53316.2 of the Act. Any portion of the Facilities may be financed through a lease or lease-purchase arrangement if the District hereafter determines that such arrangement is of benefit to the District.

**Section 4. Types of Services.** The Services proposed to be provided for the benefit of the District described in Exhibit “C” hereto and are public services as defined in the Act, and this City Council finds and determines that the Services to be financed are in addition to those provided in the territory of the District at the present time and do not supplant services already available within the territory of the District at the present time. The City Council hereby finds and determines that the description of the Services herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds of the District may be used to finance. The Services Incidental Expenses expected to be incurred include the costs of planning the Services, the costs of forming the District, the cost of levying and collecting a special tax within the proposed District and the cost of administration.

**Section 5. Special Taxes.** Except where funds are otherwise available, special taxes sufficient to pay for all such facilities and services, to pay for debt service on other obligations of the City relating to such facilities, and to pay the principal of and interest on the bonds of the proposed District and the annual administrative expenses of the City and the proposed District in determining, apportioning, levying and collecting such special taxes, and in paying the principal of and interest on such bonds and the costs of registering, exchanging and transferring such bonds, secured by the recordation of a continuing lien against all taxable or nonexempt property in the proposed District, shall be annually levied within the proposed District.

All Parcels of taxable property in the territory of the proposed District shall be subject to the annual levy of special taxes to pay for the Facilities and Services and the principal of and interest on the aggregate principal amount of the bonds of the proposed District that may be issued and sold to finance the design, construction and acquisition of the Facilities.

The Rate and Method to be levied on parcels of taxable property in the proposed District to pay for the Facilities and the principal of and interest on the bonds of the proposed District that may be issued and sold to finance the Facilities or to pay or accumulate funds for paying the costs of the design, construction and acquisition of such facilities, or to pay other debt obligations of the City relating to such facilities are set forth in Exhibit "A" attached hereto.

The maximum amounts of special taxes that may be levied in any fiscal year on parcels within the proposed District that are used for private residential purposes ("Residential Parcels") are specified in dollar amounts in Exhibit "A" attached hereto. Special taxes shall not be levied on any Residential Parcels to pay the capital cost of the facilities or the principal of and interest on the outstanding bonds of the community facilities district after the tax or fiscal year beginning on July 1, 2064 and ending on June 30, 2065, and that fiscal year shall be the last tax year in which special taxes shall be levied on Residential Parcels for such purpose. Special taxes for Services shall be levied as long as it is needed, as determined at the sole discretion of the City Council. Under no circumstances shall the special taxes levied in any Fiscal Year against any Assessor's Parcel of Residential Property as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

The conditions under which the obligation to pay Special Tax A may be prepaid and permanently satisfied are as set forth in Exhibit "A" attached hereto. Special Tax B may not be prepaid or permanently satisfied.

Pursuant to Section 53340 of the California Government Code, said special taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes.

Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special taxes shall attach to all non-exempt real property in the proposed District, and that lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the special taxes ceases.

**Section 6. Exempt Properties.** Pursuant to Section 53340 of the California Government Code, and except as provided in Section 53317.3 of said Code, properties of entities of the state, federal, and local governments shall be exempt from the levy of special taxes.

**Section 7. Necessity.** The City Council finds that the proposed Facilities and Services described in Section 3 and Section 4 hereof, respectively, are necessary to meet increased demands placed upon the City as a result of new development occurring within the boundaries of the proposed District.

**Section 8. Hearing.** A virtual and in person public hearing on the formation of the proposed District shall be held at 3:00- 1 p.m. on December 1, 2020 (the “Hearing”) in the City- Art Pick Council Chambers located at 3900 Main Street, Riverside, California. At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within proposed District, may appear and be heard or call 951-826-8600 at 1 p.m for public comment.

**Section 9. Notice.** The City Clerk is hereby directed to publish a notice (the “Notice”) of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of proposed District. The City Clerk is further directed to mail a copy of the Notice to each of the landowners within the boundaries of the District at least 15 days prior to the Hearing. The Notice shall contain the text or a summary of this Resolution, the time and place of the Hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the proposed district and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

**Section 10. Report.** The City Manager, the Chief Financial Officer, or their designee(s), being the officer(s) of the City who will be responsible for providing the proposed types of public facilities and services to be provided within and financed by the proposed District, if it is established, shall study the proposed District, and, at or before the time of said hearing, file a report or reports with the City Council containing a brief description of the public facilities and services by type which will in their opinion be required to adequately meet the needs of the proposed District and their estimate of the fair and reasonable cost of providing those public facilities and services and the incidental expenses to be incurred in connection therewith. All such reports shall be made a part of the record of the hearing to be held pursuant to Section 8 hereof.

**Section 11. Description of Voting Procedures.** The voting procedures to be followed shall be pursuant to Section 53326 of the California Government Code and pursuant to the applicable provisions of the Election Code.

**Section 12. Bonded Indebtedness.** The reasonably expected maximum principal amount of the bonded indebtedness to be incurred by the District for the Facilities and Incidental Expenses is Seven Million Dollars (\$7,000,000).

**Section 13. Reserved Powers.** Except to the extent limited in any bond resolution or trust indenture related to the issuance of bonds, the City Council hereby reserves to itself all rights and powers set forth in Section 53344.1 of the Act (relating to tenders in full or partial payment).

**Section 14. Effect.** This Resolution shall be effective upon its adoption.

ADOPTED by the City Council this 27<sup>th</sup> day of October, 2020.

---

Mayor of the City of Riverside

ATTEST:

---

City Clerk of the City of Riverside