

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
RIVERSIDE ESTABLISHING COMMUNITY FACILITIES
DISTRICT NO. 2015-2 (POMELO) OF THE CITY OF
RIVERSIDE, AUTHORIZING THE LEVY OF SPECIAL
TAXES AND CALLING AN ELECTION THEREIN**

WHEREAS, the City Council (the “City Council”) of the City of Riverside, California (the “City”) has heretofore adopted Resolution No. 23635 (the “Resolution of Intention”) stating its intention to form Community Facilities District No. 2015-2 (Pomelo) of the City of Riverside (the “Community Facilities District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”); and

WHEREAS, a copy of the Resolution of Intention setting forth a description of the proposed boundaries of the Community Facilities District, the public facilities, services and the incidental expenses to be financed by the Community Facilities District (the “Facilities,” “Services” and “Incidental Expenses,” respectively) is on file with the City Clerk; and is incorporated herein by reference; and

WHEREAS, a combined notice of a public hearing to be held on December 1, 2020 was published and mailed to all landowners of the land proposed to be included within the Community Facilities District; and

WHEREAS, on December 1, 2020, the City Council opened the public hearing (the “Hearing”) as required by law; and

WHEREAS, at the Hearing there was filed with this City Council a report containing a description of the Facilities and Services necessary to meet the needs of the Community Facilities District and an estimate of the cost of such Facilities and Services as required by Section 53321.5 of the Act (the “Community Facilities District Report”); and

WHEREAS, at the Hearing all persons desiring to be heard on all matters pertaining to the proposed formation of the Community Facilities District and the levy of the special taxes and the issuance of bonded indebtedness were heard and a full and fair hearing was held; and

WHEREAS, at the Hearing, evidence was presented to the City Council on the matters before it, and the proposed formation of the Community Facilities District and the levy of special taxes was not precluded by a majority protest of the type described in Section 53324 of the Act, and this City Council at the conclusion of the hearing is fully advised as to all matters relating to the formation of the Community Facilities District, the levy of the special taxes and the issuance of bonded indebtedness; and

WHEREAS, the City Council has determined that there have been no registered voters residing in the proposed boundaries of the Community Facilities District for the period of 90 days prior to the Hearing and that the qualified electors in the Community Facilities District are the landowners within the Community Facilities District; and

WHEREAS, on the basis of all of the foregoing, the City Council has determined at this time to proceed with the establishment of the Community Facilities District and with the calling of an election within the boundaries of the Community Facilities District to authorize (i) the levy of special taxes within the Community Facilities District pursuant to the rate and method of apportionment of the special tax attached to the Resolution of Intention as Exhibit “A” (the “Rate and Method”), (ii) the issuance of bonds to finance the Facilities, Services and Incidental Expenses, and (iii) the establishment of an appropriations limit for the Community Facilities District;

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

Section 1. Each of the above recitals is true and correct.

Section 2. A Community Facilities District to be designated “Community Facilities District No. 2015-2 (Pomelo) of the City of Riverside” is hereby established pursuant to the Act. The City Council hereby finds and determines that all prior proceedings taken with respect to the establishment of the Community Facilities District were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

Section 3. The boundaries of the Community Facilities District are established as shown on the map designated “Proposed Boundary Map Community Facilities District No. 2015-2 (Pomelo) City of Riverside, County of Riverside, State of California”, which map is on file in the office of the City Clerk and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Riverside Book of Boundary Maps in the County Recorder’s Office in Book No. 85, Page 92 as Instrument No. 2020-0562033 on November 12, 2020.

Section 4. The types of Facilities, Services and Incidental Expenses authorized to be provided for the Community Facilities District are those set forth in the Resolution of Intention. The estimated cost of the Facilities, Services and Incidental Expenses to be financed is set forth in the Community Facilities District Report, which estimates may change as the Facilities are designed and bid for construction and acquisition.

The City of Riverside is authorized by the Act to contribute revenue to, or to construct or acquire the Facilities, all in accordance with the Act. The City Council finds that the proposed Facilities are necessary to meet the increased demand that will be placed upon public infrastructure and City as a result of new development within the Community Facilities District.

The City Council finds and determines that the proposed Services are public services as defined in the Act and are necessary to meet the increased demand that will be placed upon local agencies and public infrastructure as a result of new development within the District and that the Services to be financed benefit residents of the City and the future residents of the District.

Section 5. The City Council hereby adopts the Rate and Method attached to the Resolution of Intention as Exhibit “A” as the applicable rate and method of apportionment for the Community Facilities District. Except where funds are otherwise available, it is the intention of the City Council, subject to the approval of the eligible voters within the Community Facilities District, to levy the proposed special taxes in the Community Facilities District at the rates set forth in the Rate and Method hereto on all non-exempt property within the Community Facilities District sufficient to pay for (i) the

Facilities and Services, and the principal and interest and other periodic costs on the bonds proposed to be issued by the Community Facilities District to finance the Facilities, Services and Incidental Expenses, including the establishment and replenishment of reserve funds, any remarketing, credit enhancement and liquidity facility fees (including such fees for instruments which serve as the basis of a reserve fund in lieu of cash) and other expenses of the type permitted by Section 53345.3 of the Act; and (ii) the Incidental Expenses. The Community Facilities District expects to incur, and in certain cases has already incurred, Incidental Expenses in connection with the creation of the Community Facilities District, the issuance of bonds, the levying and collecting of the special tax, the completion and inspection of the Facilities and the annual administration of the bonds and the Community Facilities District. The Rate and Method is described in detail in Exhibit "A" to the Resolution of Intention and incorporated herein by this reference, and the City Council hereby finds that said Exhibit "A" contains sufficient detail to allow each landowner within the Community Facilities District to estimate the maximum amount of the special tax for Facilities ("Special Tax A") and Services ("Special Tax B") that may be levied against each parcel. As described in greater detail in the Community Facilities District Report, which is incorporated by reference herein, the special taxes are based on the expected demand that each parcel of real property within the Community Facilities District will place on the Facilities and Services and, accordingly, are hereby determined to be reasonable. The special taxes shall be levied on each assessor's parcel pursuant to the Rate and Method, but Special Tax A shall not be levied after Fiscal Year 2064-65. The special taxes are apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such special taxes are not an ad valorem tax on or a tax based upon the ownership of real property.

The City's Chief Financial Officer will be responsible for preparing annually, or authorizing a designee to prepare, a current roll of special tax levy obligations by assessor's parcel number and will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Act.

Section 6. In the event that a portion of the property within the Community Facilities District shall become for any reason exempt, wholly or partially, from the levy of the special taxes specified in the Rate and Method, the City Council shall, on behalf of the Community Facilities District, increase the levy of special taxes to the extent necessary and permitted by law and these proceedings upon the remaining property within the Community Facilities District which is not delinquent or exempt in order to yield the required debt service payments on any outstanding bonds of the Community Facilities District or to prevent the Community Facilities District from defaulting on any other obligations or liabilities of the Community Facilities District; provided, however, that under no circumstances shall such special taxes in the Community Facilities District be increased in any fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

Section 7. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in the Community Facilities District; and this 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 tax by the Community Facilities District on behalf of the Community Facilities District ceases.

Section 8. Consistent with Section 53325.6 of the Act, the City Council finds and determines that the land within the Community Facilities District, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural,

timber or livestock products is contiguous to other land within the Community Facilities District and will be benefited by the Facilities proposed to be provided within the Community Facilities District.

Section 9. It is hereby further determined that there is no ad valorem property tax currently being levied on property within the proposed Community Facilities District for the exclusive purpose of paying the principal of or interest on bonds or other indebtedness incurred to finance the construction of capital facilities which provide the same services to the territory of the Community Facilities District as are proposed to be provided by the Facilities and Services to be financed by the Community Facilities District.

Section 10. Written protests against the establishment of the Community Facilities District have not been filed by one-half or more of the registered voters within the boundaries of the Community Facilities District or by the property owners of one-half or more of the area of land within the boundaries of the Community Facilities District. The City Council hereby finds that the proposed special tax has not been precluded by a majority protest pursuant to Section 53324 of the Act.

Section 11. An election is hereby called for the Community Facilities District on the propositions of levying the special tax on the property within the Community Facilities District and establishing an appropriations limit for the Community Facilities District pursuant to Section 53325.7 of the Act and shall be consolidated with the election on the proposition of incurring bonded indebtedness for the Community Facilities District, pursuant to Section 53351 of the Act. The propositions to be placed on the ballot for the Community Facilities District are attached hereto as Exhibit "A".

Section 12. The date of the election within the Community Facilities District shall be December 1, 2020, or such later date as is consented to by the City Clerk and the landowners within the Community Facilities District. The City Clerk shall conduct the election. Except as otherwise provided by the Act, the election shall be conducted by personally delivered or mailed ballot and, except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law regulating elections of the City insofar as such provisions are determined by the City Clerk to be applicable.

It is hereby found that there are no registered voters within the territory of the Community Facilities District, and, pursuant to Section 53326 of the Act, each landowner who is the owner of record on the date hereof, or the authorized representative thereof, shall have one vote for each acre or portion thereof that he, she or it owns within the Community Facilities District. The voters shall be the landowners of record within the Community Facilities District as of December 1, 2020.

Section 13. The preparation of the Community Facilities District Report is hereby ratified. The Community Facilities District Report, as submitted, is hereby approved and made a part of the record of the public hearing regarding the formation of the Community Facilities District, and is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

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

ADOPTED by the City Council this 1st day of December, 2020.

WILLIAM R. BAILEY, III
Mayor of the City of Riverside

Attest:

COLLEEN J. NICOL
City Clerk of the City of Riverside

CERTIFICATION

I, Colleen J. Nicol, City Clerk of the City of Riverside, certify that the foregoing resolution was adopted by the City Council of the City of Riverside at a regular meeting held on the 1st day of December, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Riverside this ____ day of December, 2020.

COLLEEN J. NICOL
City Clerk of the City of Riverside

EXHIBIT “A”

SAMPLE BALLOT

**COMMUNITY FACILITIES DISTRICT NO. 2015-2 (POMELO)
OF THE CITY OF RIVERSIDE**

SPECIAL TAX AND SPECIAL BOND ELECTION

December 1, 2020

This ballot represents ____ votes.

To vote, write or stamp a cross (“+” or “X”) in the voting square after the word “YES” or after the word “NO”. All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the City Clerk of the City of Riverside and obtain another.

PROPOSITION A: Shall Community Facilities District No. 2015-2 (Pomelo) of the City of Riverside (the “Community Facilities District”) incur an indebtedness and issue bonds for the Community Facilities District in the maximum principal amount of \$7,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities, Services and the Incidental Expenses described in Resolution No. 23635 of the City Council of the City of Riverside?

YES_____

NO_____

PROPOSITION B: Shall special taxes, pursuant to the rate and method of apportionment as provided in Resolution No. 23635 of the City Council of the City of Riverside for the Community Facilities District, be levied to pay for the Facilities, Services and Incidental Expenses and the principal of and interest on bonds issued to finance the Facilities, Services and Incidental Expenses and the other purposes described in Resolution No. 23635?

YES_____

NO_____

PROPOSITION C: For each year commencing with Fiscal Year 2021-22, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIIB of the California Constitution, for the Community Facilities District be an amount equal to \$7,000,000?

YES_____

NO_____